CITY OF WEST HOLLYWOOD

WEST HOLLYWOOD

2000-2005 HOUSING ELEMENT

Adopted May 20, 2002

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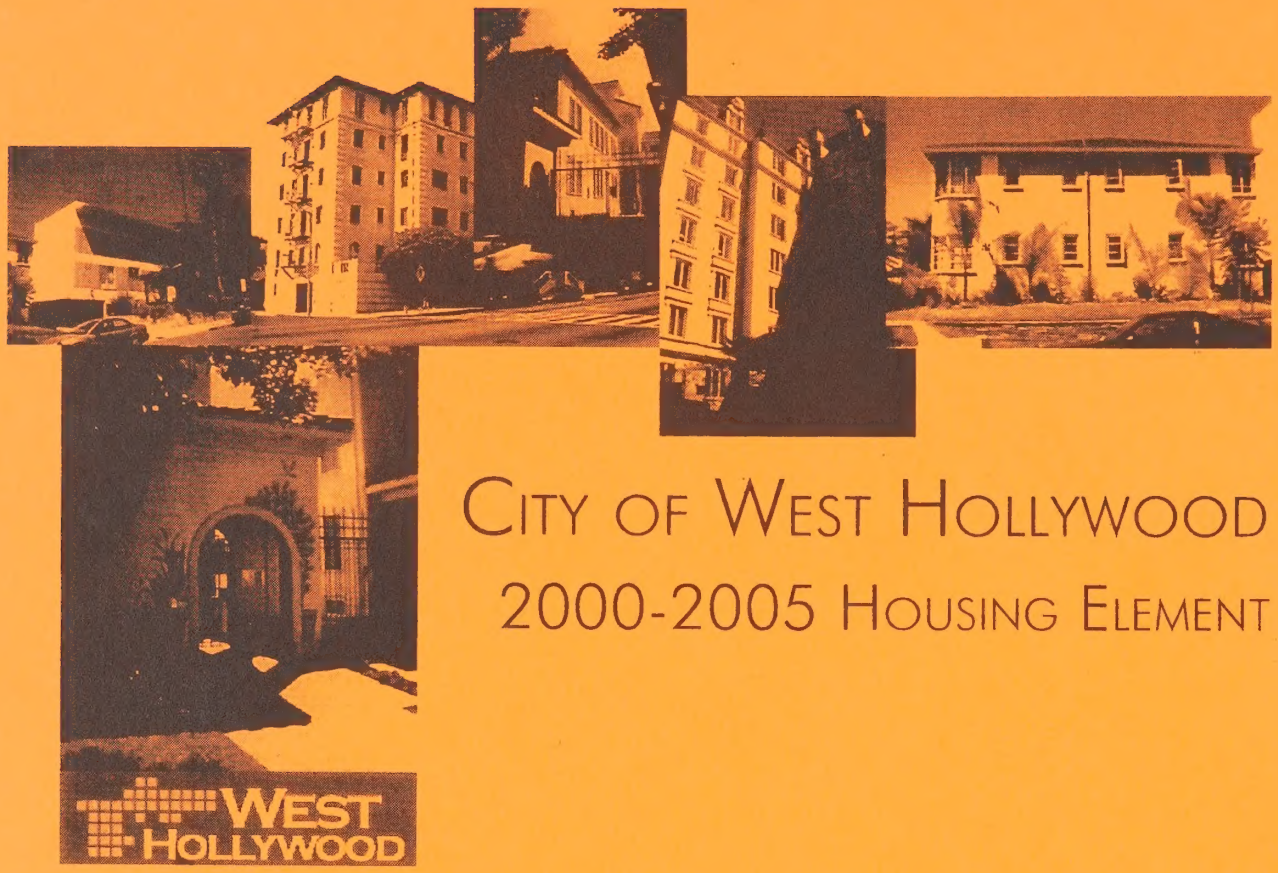

City of West Hollywood
2000-2005 Housing Element

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INTRODUCTION

1. INTRODUCTION

A. Community Context

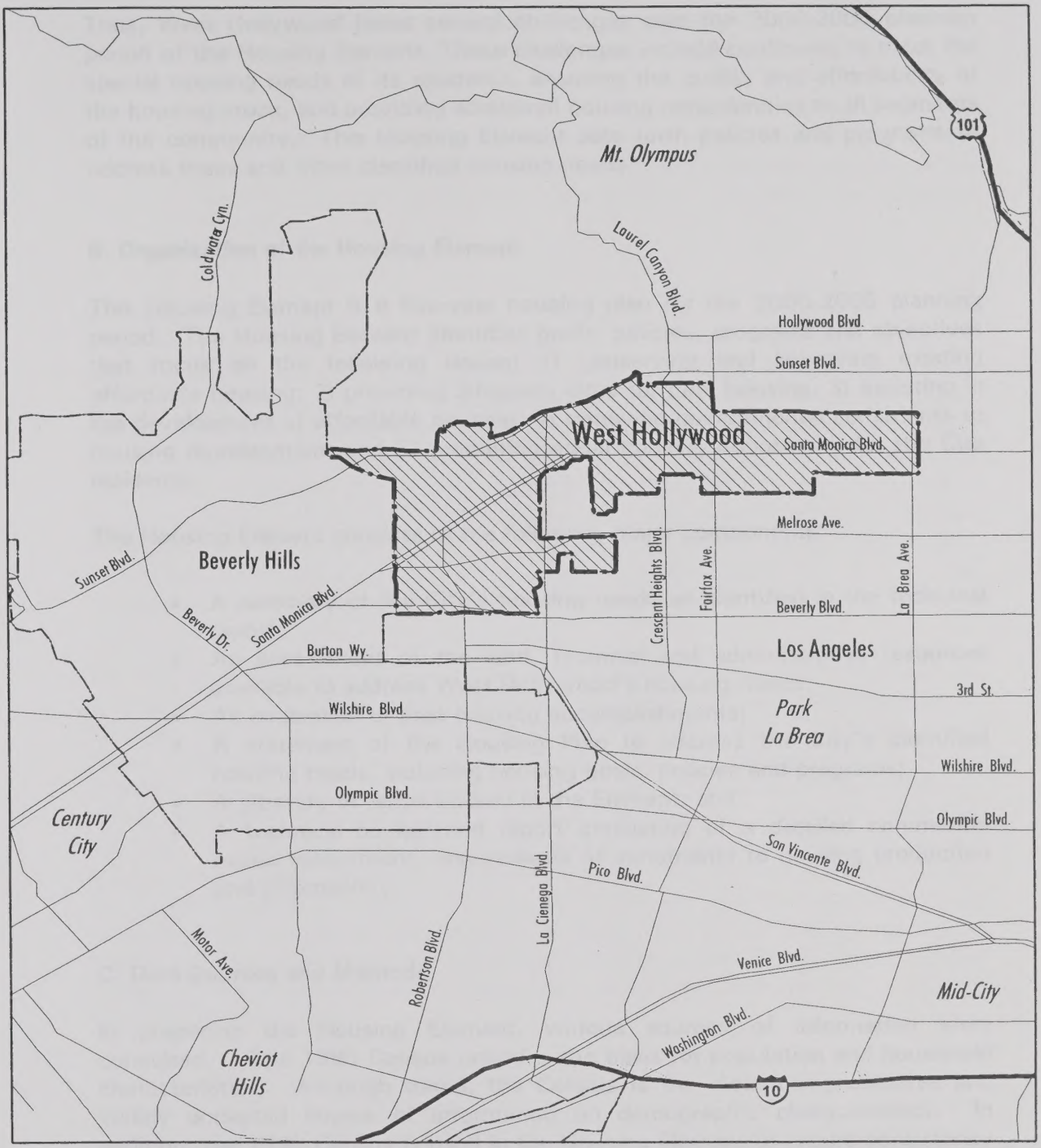
Incorporated in 1984, West Hollywood is a diverse urban community of approximately 39,000 residents located eight miles northwest of downtown Los Angeles (see Figure 1). The City is bordered to the north by Hollywood Hills, to the east by the community of Hollywood, to the south by the Fairfax District, and by the City of Beverly Hills to the west.

West Hollywood is unique in the composition of its resident population. The City is the home of a sizable Gay and Lesbian community, a significant number of recent Russian immigrants, and a large elderly population. The City takes pride in its ability to meet the special needs of its diverse population and is often recognized for the high level of public service rarely found in a community of similar size.

A variety of housing opportunities are available in the City, ranging from single-family homes to moderate-density duplexes to higher-density condominiums and apartments. In partnership with the West Hollywood Community Housing Corporation (WHCHC), the City has played an active role in preserving and creating affordable housing opportunities for lower- and moderate-income households. Because the City is highly urbanized, future housing growth will primarily be accommodated through residential infill on the few remaining vacant parcels, through intensification of some multi-family neighborhoods, and through mixed-use development along major commercial corridors.

West Hollywood's supportive environment for residents with special needs, central location near major job centers, and high level of public services all contribute to the City's attractiveness as a place to live, resulting in an ever tightening housing market. Not surprisingly, housing costs in West Hollywood are among the highest in Los Angeles County. In 2000, the median sales price was $445,000 for a single-family home and over $180,000 for a condominium unit. While the approximately 15,000 rent-controlled units in West Hollywood provide relatively affordable rental opportunities, vacancy decontrol as mandated under the Costa-Hawkins Rental Housing Act has begun to erode affordability. In 1999, 1,841 rent-controlled units were vacated and re-occupied, with an overall average rent increase of 20%.

According to the 1990 Census, over 9,800 households in West Hollywood overpaid for housing (spend more than 30% of income on housing), representing 44% of the total households. Nearly 80% of these overpaying households are renters. Overpayment is especially a problem for lower- and moderate-income renter households, including seniors and persons with special needs, in West Hollywood's tight housing market.



NORTH 0 1/2 1 mile

Figure 1: Regional Location

Thus, West Hollywood faces several challenges over the 2000-2005 planning period of the Housing Element. These challenges include continuing to meet the special housing needs of its residents, ensuring the quality and affordability of the housing stock, and providing additional housing opportunities to all segments of the community. This Housing Element sets forth policies and programs to address these and other identified housing needs.

B. Organization of the Housing Element

This Housing Element is a five-year housing plan for the 2000-2005 planning period. The Housing Element identifies goals, policies, programs and objectives that focus on the following issues: 1) conserving and improving existing affordable housing; 2) providing adequate sites for new housing, 3) assisting in the development of affordable housing; 4) removing governmental constraints to housing development; and 5) promoting equal housing opportunity for the City residents.

The Housing Element consists of the following major components:

- A summary of the City's housing needs as identified in the technical report;
- An assessment of the land, financial and administrative resources available to address West Hollywood's housing needs;
- An evaluation of past housing accomplishments;
- A statement of the Housing Plan to address the City's identified housing needs, including housing goals, policies and programs;
- A glossary of terms utilized in the Element; and
- A technical background report consisting of a detailed community needs assessment, and analysis of constraints to housing production and affordability.

C. Data Sources and Methods

In preparing the Housing Element, various sources of information were consulted. The 1990 Census provides the basis for population and household characteristics. Although dated, the Census is the most comprehensive and widely accepted source of information on demographic characteristics. In addition, the 1990 Census is used in the Housing Element to ensure consistency with State and federal housing plans.

However, to ensure that the 2000-2005 Housing Element provides as timely information as possible to facilitate planning, several information sources are used to provide reliable updates of the 1990 Census. These are as follows:

- Demographic data is updated by the State Department of Finance as of January 2000.

- Housing market data is updated by obtaining current rents and homes sales price through surveys and property tax assessor's files as of 2000.
- Service agencies are consulted for program information to provide information on the nature and magnitude of service needs as of 2000.
- Lending patterns for home purchase and home improvement loans are provided through the federal Home Mortgage Disclosure Act database (1998).

D. Public Participation

Opportunities for residents to identify community housing needs, recommend strategies, and comment on West Hollywood's Housing Element are integral to development of a successful element. During the early stages of the Housing Element preparation process, the City conducted two study sessions with the City Council, Planning Commission, and Rent Stabilization Commission to solicit input on housing needs and direction on key policy issues. These meetings were noticed by Citywide mailers. A Housing Needs Questionnaire was distributed in conjunction with these meetings throughout the City. This community input is reflected in the Draft Housing Element.

The City also brought together a "Technical Resource Team" for two meetings to discuss housing issues in West Hollywood and formulate specific strategies to facilitate the production of affordable and market-rate housing. The Resource Team was comprised of working professionals in housing-related fields, including market-rate and non-profit residential developers, urban planners, mixed-use developers, architects, real estate economists, and public officials. The Team's meetings were noticed as public meetings and were open to the public. The Team specifically addressed the following issues: identifying areas for future housing growth; removing or mitigating governmental and other constraints to residential development in West Hollywood; and special needs housing. The Team's recommendations are incorporated in the Housing Plan section of the Housing Element. Each member of the Team received a copy of the Draft Element.

Upon completion of the preliminary Draft Housing Element, a third public study session with the City Council, Planning Commission, and Rent Stabilization Commission was conducted. Participants at the prior community meetings were directly notified of the study session. The Draft Element is then submitted to the State Department of Housing and Community Development (HCD) for review and comment. After HCD review, public hearings are held before the Planning Commission and City Council. Notice is published in the local newspaper in advance of each hearing and copies of the Draft Element are available for public review at City Council meetings, City Hall, the West Hollywood Public Library, Plummer Park, and Russian Community Center. To facilitate public review, the entire Draft Element has been translated into Russian.

E. Relationship to Other General Plan Elements

The Housing Element is one section of the West Hollywood General Plan. The General Plan consists of four chapters addressing the following seventeen issues: 1) Land Use; 2) Public Open Space Urban Design; 3) Housing; 4) Economic Development; 5) Circulation; 6) Utilities; 7) Education and Cultural; 8) Public Safety; 9) Parks and Recreation; 10) Human Services; 11) Vegetation and Wildlife; 12) Air Quality; 13) Energy and Water Conservation; 14) Seismic; 15) Flooding; 16) Natural Gas; 17) Noise; and 18) Historic Preservation. This Housing Element builds upon the other General Plan issues and the policies set forth are consistent with the policies and proposals set forth by the General Plan. As the General Plan is amended through time, the City will review the Housing Element for internal consistency, and make any necessary revisions.

Summary of Housing Needs

2. Housing Needs Summary

The City is committed to assuring the availability of adequate housing for all social and economic segments of the community. This section presents a summary of West Hollywood's existing and future housing needs as identified in the Housing Needs Assessment of the Housing Element Technical Background Report. The Needs Assessment describes and analyzes local demographic, household, and housing characteristics and trends in an effort to determine the nature and extent of the specific housing needs in West Hollywood.

A. Existing Housing Needs

The summary of existing housing needs is organized into four areas: housing availability, housing affordability, housing adequacy and special needs households. These needs are summarized in Table 1.

Table 1
Existing Housing Needs

Housing Availability		**Housing Affordability**	
Overcrowded Households	1,099	Overpaying Households	9,814
Renter	1,044	Renter	7,708
Owner	55	Owner	2,106
Housing Adequacy		**Special Needs Households/Persons**	
Housing Units 30 years or older (as of 2000)	18,486	Elderly (65+) Households	4,781
		Disabled Persons	5,100
Residential Properties with 1+ violations of City's Property Maintenance Code (2000)	489	Persons with HIV/AIDS	3,760
		Homeless Persons	156
		Single Mothers	389
		Large Households	324

Sources: 1990 Census; 1993 Comprehensive Affordability Housing Strategy (CHAS); State Department of Finance, 2000; Rent Stabilization and Housing Department, City of West Hollywood, 2000.

Housing Availability

The City's 2000 housing stock consists of an estimated 24,125 housing units, including 21,577 (89%) multi-family units and 2,562 (11%) single-family homes. Of the multi-family units, approximately 79% are apartments and 21% are condominium units. Because the City is almost built-out, the housing stock has changed relatively little over the past two decades. Total housing units declined by a modest 2% during the 1980s, but increased by 1% during the 1990s. Types of residential projects developed in recent years include courtyard apartments, high-end condominiums, and housing designed for special needs groups, including seniors and persons with HIV/AIDS. West Hollywood is primarily a renter community, with 78% of units occupied by renters. This rate of renter occupancy is noticeably higher than for the Westside sub-region, where 67% of units are renter-occupied. (The Westside sub-region includes the cities of Beverly Hills, Culver City, Santa Monica, and West Hollywood.) Shortly after incorporation, the City adopted condominium conversion regulations aimed at preserving its stock of rental housing.

Vacancies indicate the demand and availability of housing. According to the 1990 Census, the vacancy rate was 4% for owner-occupied housing and 3.9% for rental housing in West Hollywood. The City's rental vacancy rate is similar to the 3.6% rate for the Westside sub-region, but one-half that in the adjacent Wilshire and Hollywood areas. The difference in vacancy rates can be attributed to the City's rent control regulations, which generally holds rents below market value, encourages residents to stay longer, and therefore keeps the vacancy rate lower than in surrounding communities. While current reliable data on rental vacancies is unavailable, limited new construction of rental units, combined with high demand for rentals has likely resulted in further tightening of the rental market in West Hollywood.

Housing cost is another key indicator of the availability of housing. Current (1999-2000) sales data indicate the median sales prices for condominiums and single-family homes in the City are $186,705 and $445,000, respectively. While lower than those in other Westside cities, home sales prices in West Hollywood are still among the highest in Los Angeles County. Housing sales price varies geographically in West Hollywood. The median price of a condominium unit was $191,000 on the West Side of the City, comparing to $162,500 on the East Side. For single-family homes, the median price was $627,500 on the West Side and $405,000 on the East Side. While these differences in sales prices indicate a continuation of the West Side as the more affluent part of the City, it also illustrates a significant rise in prices on the East Side and narrowing of the gap between the East and West sides.

The City's Rent Stabilization Ordinance has historically maintained rents at relatively affordable levels. However, with the passage of the Costa-Hawkins Rental Housing Act, rents can now be decontrolled upon unit vacancy. During 1999, new tenancies were created in approximately 12% of the City's rent-controlled units, with overall average rent increase of 20% or $150. The average rent for one-

bedroom units was $726 in 1999 and increased to $875 for units that were vacated and reoccupied.

Housing Affordability

According to the 1990 Census, over 9,800 households in West Hollywood overpaid for housing (defined as spending more than 30% of gross household income on housing), representing 44% of the total households. Nearly 80% of these overpaying households are renters.

Because of the high residential rents and housing prices in West Hollywood, lower-income (below 81% of County median income) households would only be able to afford rents at government-assisted developments, such as those developed by the West Hollywood Community Housing Corporation (WHCHC) and other local non-profit housing providers. To afford rents at market-rate apartment complexes in the City, lower-income households require some form of subsidy, such as Section 8 rental assistance (vouchers).

As for housing affordable to moderate-income (81 to 120% of County median) households, some rental units fall within the affordable rent range, although they are limited in availability. Smaller condominium units may provide affordable homeownership opportunities, but the required down payment and/or closing costs may present an obstacle to home purchase.

Housing Adequacy

The condition of housing is an important indicator of needs within a community. The median age of the housing stock in West Hollywood is estimated to be 40 years in 2000. About one-quarter of the housing stock was built before the 1950s, 30% during the 1950s, and 23% during the 1960s. This means that the vast majority (78%) of housing units in West Hollywood are over 30 years old in 2000 and raises important issues with respect to the need for routine maintenance and repairs/ rehabilitation.

Housing age and quality also vary significantly by location. In 1990, the median age of housing ranged from a high of 36 years in the Crescent Heights district to a low of 25 years in the Melrose District (see Map 1, p. B-6 of the Technical Background Report). Specifically, the share of housing older than 30 years ranged from 37% in the Northwest tract to 75% in the Crescent Heights tract.

A field survey conducted by Code Enforcement staff in 2000 identified 489 residential properties in West Hollywood with one or more violations of the City's Property Maintenance Code. The most common property maintenance violation was the lack of landscape, with over half (251) of the properties in violation found to lack landscaping. The two most prevalent problems relating to the physical condition of structures were peeling paint/cracked stucco (90 properties) and

deteriorated fence/wall (52). Unlike many communities where inadequate property maintenance tends to be concentrated in certain neighborhoods, the survey evidenced deferred maintenance dispersed throughout the City

Special Needs Groups

Certain segments of the population may have particular difficulties in finding decent, affordable housing because of their special needs and circumstances. These special needs groups include the elderly, disabled persons, persons living with HIV or AIDS, the homeless, female-headed families with children, and large households.

Seniors: Seniors have special housing needs due to their fixed income, higher health costs, and physical limitations. Because of these limitations, the elderly are less able to afford major home repairs or large rent increases. According to the 1990 Census, 18% of West Hollywood's population (or 6,607 persons) are over 65 years old. One-fifth (4,781) of all households is headed by an elderly person. Of these senior households, 76% are renters and 56% overpay for housing.

Disabled Persons: Physical and mental disabilities can hinder access to traditionally designed housing units (and other facilities) as well as potentially limit the ability to earn income. Disabilities refer to mental, physical, or health conditions that last over six months. The 1990 Census documents 5,100 persons age 16 years and older with a work disability, mobility limitation, and/or self-care limitation. These disabled persons represent 15% of the City's 16 years and older population. Of the 5,100 disabled persons, half were seniors (65 years or older).

Persons Living With HIV/AIDS: Persons living with HIV or AIDS have special housing needs due to their unique circumstances. The health needs of this population are numerous, as are the costs of pharmaceuticals, health care, and assisted living. The exorbitant medical costs associated with HIV/AIDS can eventually consume one's entire financial resources, even those necessary for basic housing. According to the City's Community Needs Assessment in 1998, approximately one in ten households in West Hollywood has a person who is living with AIDS or HIV. Recognizing their tremendous need for affordable housing, the WHCHC currently offers 62 units to persons living with HIV/AIDS, including Palm View, a 40-unit apartment complex completed in partnership with The Actor's Fund, and the 22-unit Harper Community Apartments.

Homeless Persons: Homelessness continues to be one of the most visible reminders of the pressing needs facing families and individuals in marginal economic, housing, and health conditions. This population consists of a wide range of persons and families suffering from domestic violence, mental illness, substance abuse, and joblessness among a number of other conditions. The 1990 Census documented 156 homeless persons in West Hollywood, of which 142 were visible in street locations and 14 were staying in emergency shelters. The City's Human Services Department supports a Homeless Outreach Team, which conducts street outreach and refers homeless persons to area shelters/service providers. According to the

Outreach Team (2000), there are approximately 40 homeless persons in the City on any given day, with most of them being mentally ill individuals.

The Foundation House is currently the only homeless shelter in West Hollywood. This facility is operated by P.A.T.H. or People Assisting the Homeless, a non-profit organization, and offers 63 beds for adult homeless persons. This facility will soon be relocated outside the City to Hollywood to a larger multi-service center providing a continuum of care for the homeless.

Female-Headed Families with Children: West Hollywood is home to 389 female-headed families with children, or 2% of all households in the City. Despite their small number, their financial need is very clear. Their household poverty rate of 27% is about three times the Citywide average. Single mothers have special difficulties becoming more self-sufficient due to lack of affordable childcare, health care, and work requirements for public assistance. Based on the records of the County Department of Public Social Services, 103 single mothers in West Hollywood received CalWORKs assistance in 2000, accounting for 35% of all CalWORKs recipients in the City.

Large Households: Large households are defined as those with five or more members. Large households, consisting mostly of families with children, often live in overcrowded conditions because of their lower income and the limited supply of larger affordable housing units. West Hollywood is home to 324 large households, representing 1.4% of the City's households. Of these, 269 are renters and 45 are owners. While limited in numbers, large households have significant housing needs. Of the 324 large households in West Hollywood, 60% are lower-income households, 40% overpay for housing, and well over 90% live in overcrowded conditions.

B. Future Housing Needs

Future housing need refers to the share of the region's housing need that has been allocated to a community. Essentially, the Southern California Association of Governments (SCAG) calculates future housing need based upon household growth forecasts provided by communities, plus a certain amount of units needed to account for normal and appropriate level of vacancies, and the replacement of units that are normally lost to conversion or demolition.

In allocating the region's future housing needs to different jurisdictions, SCAG is required to take into account various planning considerations in State law (Government Code Section 65584). These considerations include the following: 1) market demand for housing; 2) type and tenure of housing; 3) employment opportunities; 4) commuting patterns; 5) suitable sites and public facilities; 6) loss of assisted multi-family housing; 7) special housing needs; and 8) reduction of impaction of lower-income households.

In 1999 SCAG developed its Regional Housing Needs Assessment (RHNA) based

upon population, employment and household forecasts contained in the Regional Transportation Plan for the 1998 to 2005 period. These forecasts are the basis for determining housing demand. Once household growth is determined, SCAG then makes an adjustment to allow for vacant units needed in the market to ensure adequate mobility. A housing unit loss adjustment is also included to ensure adequate replacement of units lost through demolition.

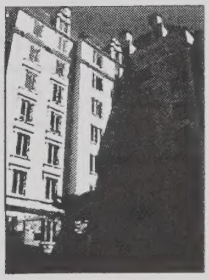
SCAG then applies a "fair share" formula that is designed to determine the units to be affordable to State-mandated income levels—very low, low, moderate, and upper income. The fair share adjustment is also intended to ensure that no community has a disproportionate concentration of lower income households or housing units than another community.

According to SCAG, West Hollywood's share of regional housing needs is a total of 410 units over the 1998-2005 planning period. The affordability levels of these units is as follows:

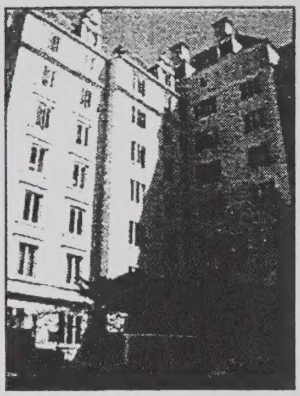
- Very Low-income: 75 units (18%)
- Low-income: 107 units (26%)
- Moderate-income: 81 units (20%)
- Upper-income: 147 units (36%)

The City is required to demonstrate the availability of adequate sites to accommodate the projected housing growth needs of the 410 new units.

HOUSING RESOURCES



3. Housing Resources



A variety of resources are available for the development, rehabilitation, and preservation of housing in West Hollywood. These resources include the availability of land resources to accommodate the City's assigned share of regional housing needs, financial resources available to support the provision of affordable housing, and administrative resources available to assist in implementing City housing programs.

A. Availability of Sites for Housing

An important component of the Housing Element is the identification of sites for future housing development, and evaluation of the adequacy of these sites in fulfilling the City's share of regional housing needs as determined by SCAG. As part of the 2000-2005 Housing Element update, a parcel-specific vacant site analysis was performed using the City's Geographic Information System (GIS) and up-to-date land use information. The analysis determined the development potential of parcels in the R2, R3, and R4 zones. Additionally, residential development potential on major commercial corridors was also examined. The following summarizes the results of this analysis, and concludes with a comparison of residential sites available in West Hollywood with the City's assigned share of regional housing needs.

Residential Zoned Parcels

Table 2 shows the City's residential development potential by zoning designation, while Figure 2 identifies the location of vacant parcels available for new residential development.

Table 2
Vacant Residential Parcels

Zoning	Number of Parcels	Total Acreage	Potential Units
R2	8	0.74	17
R3	16	2.28	74
R4[1]	20	2.58	119
Total	44	5.60	210

Source: City of West Hollywood, November 2000.

[1] Includes 1.96 vacant acres utilized as surface parking for Cedars Sinai under a temporary use permit subject to periodic renewal.

City of West Hollywood

Figure 2: Vacant Residential Parcels

As a dense, urbanized community, West Hollywood has a limited amount of vacant land remaining for future development. As shown in Table 2, the site analysis identified a total of 44 parcels or 5.6 acres, with the potential to accommodate 210 new housing units. Projects which provide the required inclusionary housing units on-site are eligible for a minimum 25% density bonus, increasing the potential number of new units.

Residential Mixed-Use

The City recognizes that in addition to vacant residential lots, there is significant potential for additional housing to be developed along major commercial corridors in West Hollywood, including Santa Monica Boulevard, Sunset Boulevard, La Brea Avenue, Fairfax Avenue, and Beverly Boulevard. The City's General Plan and Zoning Code currently allow for residential uses to be developed above ground floor commercial along these corridors, with density incentives offered for integration of residential uses. However, these incentives have not proven successful in attracting the mixed-use development envisioned under the General Plan.

As part of this Housing Element update, the City will adopt a new policy of allowing housing within mixed-use districts to be developed both as stand-alone residential projects ("horizontal mixed-use"), and above ground floor commercial uses. As evidenced in other Los Angeles area communities, allowances for horizontal mixed-use will likely result in greater interest from the development community and can be appropriately designed to enhance the pedestrian orientation of the district.

In addition, the City will establish a "Housing Overlay Zone" along these commercial corridors, where significant increases in densities will be permitted as a means of better attracting residential development (refer to Figure 3). A total of 156 acres could be considered for inclusion within the Overlay, where the following incentives will be offered:

- Increased Floor Area Ratios (FARs)
- Increased Heights – up to 5 stories (50–60 feet) in select locations
- 50% Reduction in Affordable Housing In-Lieu Fees, or
- 25% Reduction in On- or Of-Site Affordable Units
- Flexible development standards – e.g. allowances for shared parking, use of roof decks for open space, etc

Also identified in Figure 3 is a neighborhood transition zone, which has been added along Santa Monica Boulevard between the Housing Overlay Zone and adjacent residential area. The purpose of this Zone is to provide a transition between existing residential neighborhoods and the higher densities and building heights encouraged along Santa Monica Boulevard. As part of the City's Land Use Element update, appropriate residential densities will be defined for areas within the transition zone.

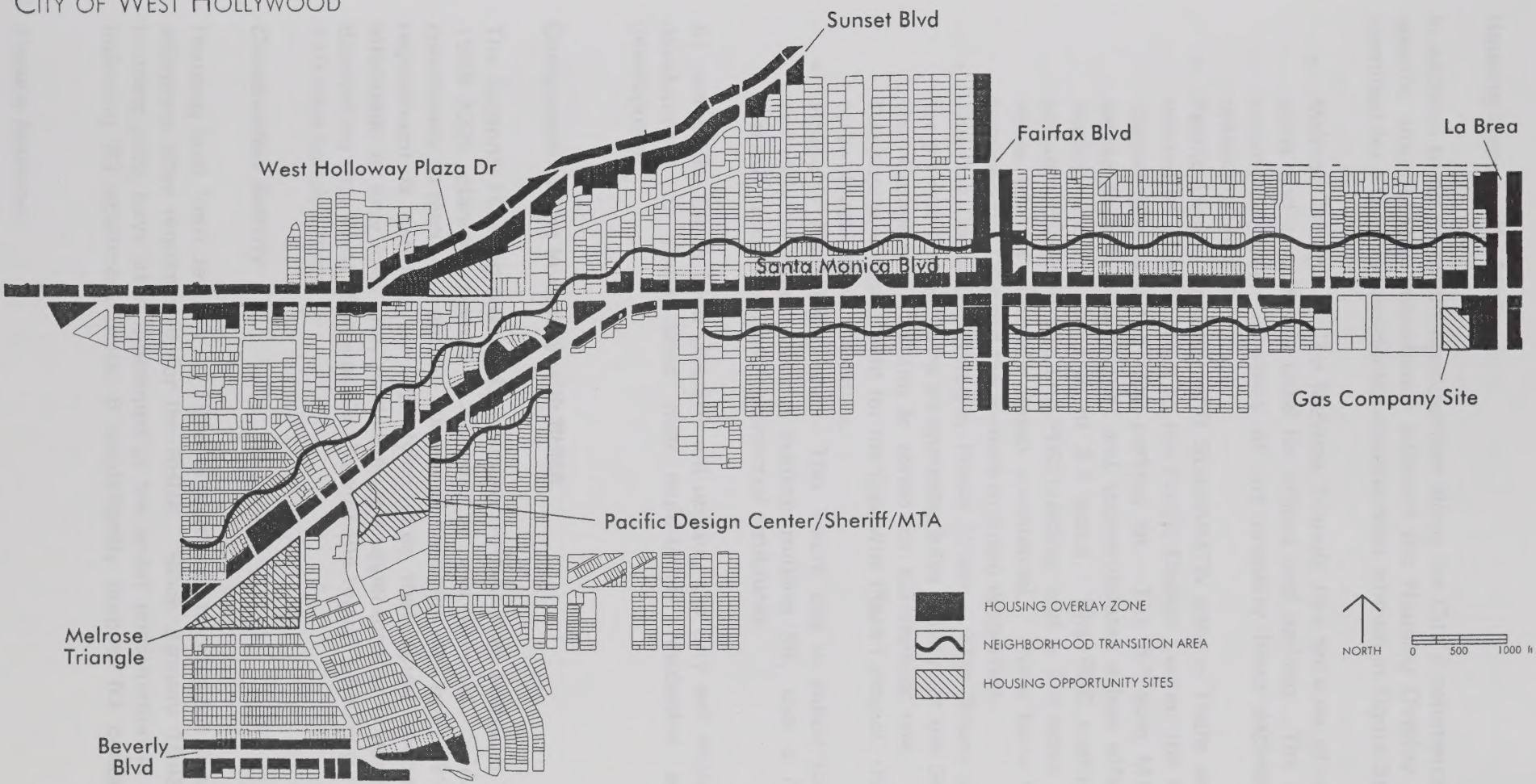


Figure 3: Residential Development Opportunities

Housing Opportunity Areas

In addition to development opportunities along the City's commercial corridors, four specific sites located immediately adjacent the Housing Overlay Area have been identified for intensified residential development (shown in Figure 3):

- Melrose Triangle – The Melrose Triangle has an area of approximately 12 acres and is currently used for offices and parking. The site is zoned for commercial use. Owners of the property have expressed a desire to redevelop the site.
- Pacific Design Center/Sheriff Station/MTA sites – There are three potential residential sites adjacent to the Pacific Design Center: the MTA site, Sheriff Station site, and the PDC parking lot. The 8.5-acre MTA site currently serves as a bus parking lot and accommodates a few offices. The Sheriff Station site has an area of 2.1 acres. The PDC parking lot is located between the MTA site and PDC building, and is 2.9 acres in size. Each of these sites is currently zoned commercial. There have been discussions between the City and the owners of these properties.
- The Gas Company (Gateway Phase 2) site – This 3-acre site is being used for parking and contains an operating base facility for the Southern California Gas Company. The site is zoned for commercial use. As part of the Development Agreement for the Gateway Plaza I project, this site is intended to be developed in the future.
- Holloway Plaza Drive site – This 7-acre site is zoned for R4 use, but is currently occupied with a surface parking lot, and a number of lower intensity residential and commercial structures.

As part of the City's Land Use Element update, the City will evaluate the potential development of these sites with multi-family residential and/or mixed-use development.

Comparison of Site Inventory with RHNA

The Regional Housing Needs Assessment (RHNA) was prepared by SCAG for the 1998-2005 planning period. As part of this process, SCAG requires each community to plan for a certain number of housing units from 1998 to 2005. This requirement is satisfied by identifying sites that could accommodate housing affordable to very low, low, moderate, and upper-income households. SCAG has determined that West Hollywood's share of the region's housing needs is a total of 410 new housing units.

Construction Activity

Housing built from January 1, 1998 onward can be credited towards meeting the adequate sites requirement for the RHNA. Since January 1998, a total of 160 housing units have been developed or are under construction in West Hollywood, including 83 apartment units, 6 single-family homes, 63 condominium units, 4

duplex units, and 4 townhouses. Given local real estate market conditions and price information on the larger developments completed, these units can be assigned to the following income categories:

- 60 apartment units for very low-income households, which include the 40-unit Palm View project located at 980 Palm Avenue for persons with HIV/AIDS (completed in 1998) and 20 affordable units currently under construction on Detroit Street (10 senior units and 10 units for families). All 60 units are built/being developed by the West Hollywood Community Housing Corporation (WHCHC).
- 3 luxury apartment units built above a subterranean garage (613 West Knoll Drive) are assumed to be affordable to upper-income households.
- 20 luxury rental units in the Harper Court (1414 Harper) project being developed and targeted for occupancy by upper-income households.
- All remaining units (77) are assumed to be for upper-income households given current (2000) sales prices in West Hollywood.

Subtracting the 160 units built/to be completed from the City's assigned RHNA leaves a remaining construction need for 250 additional units, as indicated in Table 3.

Table 3
Remaining 1998-2005 RHNA

Income/Affordability Category	Regional Housing Needs (RHNA)	Number of New Units Constructed/ Being Built	Remaining Units Needed
Very Low	75	60	15
Low	107	0	107
Moderate	81	0	81
Upper	147	100	47
Total	410	160	250

Source: Rent Stabilization and Housing Department, City of West Hollywood, November 2000.

Adequacy of Sites to Fulfill RHNA

As indicated earlier, West Hollywood has the capacity to accommodate 210 new units on vacant residential parcels. Additional units may also be developed in mixed-use setting along major commercial corridors and in the Housing Opportunity Areas.

The Land Use Element (1988) estimates that between 1,000 and 2,500 units may be developed in mixed-use areas. Such unit potential remains today as little new residential and mixed-use development has occurred over the past 10+ years. To

specifically increase the supply of housing along commercial corridors, the City will offer a variety of incentives, including but not limited to increased densities, allowance of stand-alone residential projects, increased heights, fee reductions, and flexible development standards.

The City estimates that of the 156 acres that could be included within the "Housing Overlay Zone," approximately 10% of the acreage or 15 acres can be anticipated to be developed with housing. Assuming an average residential density of 25 units per acre, a total of 375 units can be anticipated to be developed along major commercial corridors designated the Housing Overlay Zone. In addition, the four Housing Opportunity Areas provide significant additional potential for residential infill. For the 2000-2005 planning period, the City's goal is to facilitate the development of approximately 250 new units both within the Housing Overlay Zone and on the Housing Opportunity Areas through provision of financial and regulatory incentives.

Given that a total of 460 new units can be developed on vacant sites (210 units) and along major commercial corridors/in Housing Opportunity Areas (250 units), West Hollywood's residential capacity exceeds the remaining RHNA of 250 new units.

Availability of Public Facilities and Services

As a highly urbanized community, West Hollywood already has in place all of the necessary infrastructure to support future development. All land designated for residential use is served by sewer and water lines, streets, storm drains, telephone, electrical, and gas lines. To ensure the availability and adequacy of public facilities and services for future development, the City, along with other providers of public serves (e.g. water and sewer), will continue to carry out regular infrastructure improvements and necessary upgrading.

B. Financial Resources

The City has access to a variety of existing and potential funding sources available for affordable housing activities. They include programs from local, State, federal, and private sources. The following section describes the major housing funding sources currently used in West Hollywood, including: the Affordable Housing Trust Fund, redevelopment set-aside funds, Community Development Block Grants (CDBG), HOME funds, and Low Income Housing Tax Credits (LIHTC). Table 4 summarizes these and additional funding sources available to support in implementing the City's housing program activities.

1. Affordable Housing Trust Fund

The City allows the payment of an in-lieu fee for housing projects with 20 or fewer units to fulfill the affordable housing requirement under the Inclusionary Housing Ordinance. As of 2000, in-lieu fees range from $6.02 per square foot for a one-unit project to $12.03 for projects with nine or more units. The in-lieu fee amount is adjusted annually for inflation. In addition, the City charges a commercial development of 10,000 square feet or more an impact fee which is set at $2.85 per net square foot of new commercial space. The in-lieu and commercial development impact fees collected are placed into the Affordable Housing Trust Fund for affordable housing activities, including new housing construction and rehabilitation of existing units. Since its inception in 1986, the City's Inclusionary Housing Ordinance has resulted in the contribution of approximately $5.4 million to the Affordable Housing Trust Fund.

Over the years, the Affordable Housing Trust Fund has been critical in funding projects by the WHCHC. Projects financed in part by the Fund include the Fountain Avenue Apartments, Detroit Bungalows, Harper Avenue Apartments, Harper Community Apartments, Laurel/Norton Inter-Generational Community Apartments, and Palm View Apartments.

2. Redevelopment Set-Aside Funds

State law requires the Community Development Commission (Redevelopment Agency) to set aside 20% of all tax increment revenue generated from the East Side Redevelopment Project Area for affordable housing. The Commission's 20% set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing in West Hollywood. Because the Redevelopment Project Area was created in 1997, only a modest amount of tax increment funds has been generated. However, the Commission has assisted private housing developers in the development of both rental housing projects. The Commission borrowed from the City's General Fund to support two residential projects to date. Specifically, the Commission allocated $500,000 to support the development of 20 affordable rental units (10 senior and 10 family) on Detroit Street and $1.7 million to purchase two 12-unit apartment buildings. The Commission anticipates generating between $155,000 and $180,000 annually in housing set-aside funds

during the 2000-2005 planning period. These funds will be used to repay the $2.2 million borrowed from the General Fund.

3. Community Development Block Grant (CDBG) Funds

Through the CDBG program, the federal Department of Housing and Urban Development (HUD) provides funds to local governments for funding a wide range of community development activities for low-income persons. West Hollywood receives its allocation of CDBG funds through the Los Angeles County Community Development Commission.

The CDBG program is very flexible in that the funds can be used for a wide range of activities. The eligible activities include, but not limited to: acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction (under certain limitations) of housing, homeownership assistance, and clearance activities. Based on previous allocations, the City anticipates receiving approximately $450,000 in CDBG funds annually during the 2000-2005 period. The City currently allocates its CDBG funds for the following housing programs: the Residential Rehabilitation Program, Code Enforcement, the Home Secure Program, and Homeless Services.

4. HOME Investment Partnership Program

Established by the Federal government in 1990, the HOME program is designed to improve and/or expand a jurisdiction's affordable housing stock. Unlike the CDBG program, HOME funds can only be used for affordable housing activities. Specifically, HOME funds can be used for the following activities which promote affordable rental housing and lower-income homeownership: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based assistance.

There are fairly strict requirements governing the use of the funds. Two major requirements are that HOME funds must be: (1) used for activities that target certain income groups (lower income families in particular) and (2) matched 25% by non-federal sources (such as City redevelopment funds). As a non-entitlement jurisdiction, the City does not receive HOME funds directly. However, the WHCHC has received HOME funds for a number of its projects.

5. Low Income Housing Tax Credit (LIHTC)

Created by the 1986 Tax Reform Act, the LIHTC program has been used to encourage the construction and rehabilitation of rental housing for lower-income households. The program allows investors an annual tax credit over a ten-year period, provided that the housing meets the low-income occupancy requirements: a minimum of 20% of the units must be affordable to households at 50% of area median income (AMI), or 40% affordable to those at 60% of AMI. The total credit over the ten-year period has a present value equal to 70% of the qualified construction and rehabilitation expenditures. This program has limitations that

affect the amount of tax credits received, such as a ten-year requirement for housing being purchased, and a minimum expenditure amount for rehabilitation projects. The tax credit is typically sold to large investors at a syndication value. Several WHCHC projects were funded in part by LIHTC proceeds, including Fountain Avenue Apartments, Harper Avenue Apartments, Laurel/Norton Inter-Generational Community Apartments, and the recently completed Palm View Apartments.

Table 4
Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants awarded to the City on a formula basis for housing and community development activities.	- Acquisition - Rehabilitation - Home Buyer Assistance - Economic Development - Homeless Assistance - Public Services
HOME	Flexible grant program awarded to City on a formula basis for housing activities.	- Acquisition - Rehabilitation - Home Buyer Assistance - Rental Assistance
Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low-income tenants.	- Rental Assistance
Low Income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing.	- Construction of Housing
Emergency Shelter Grants (ESG)	Grants awarded to City to implement a broad range of activities that serve homeless persons.	- Shelter Construction - Social Services - Homeless Prevention
Section 202	Grants to non-profit developers of supportive housing for the elderly.	- Acquisition - Rehabilitation - New Construction
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	- Acquisition - Rehabilitation - New Construction - Rental Assistance
Section 108 Loan	Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement projects. Maximum loan amount can be up to five times the jurisdiction's most recent annual allocation. Maximum loan term is 20 years.	- Acquisition - Rehabilitation - Home Buyer Assistance - Economic Development - Homeless Assistance - Public Services

Table 4
Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
Mortgage Credit Certificate Program	Income tax credits available to first-time homebuyers to buy new or existing single-family housing. The Los Angeles County Community Development Commission makes certificates available.	- Home Buyer Assistance
Supportive Housing Program (SHP)	Grants for development of supportive housing and support services to assist homeless persons in the transition from homelessness.	- Transitional Housing - Housing for the Disabled - Supportive Housing - Support Services
2. State Programs		
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	- Support Services
Multi-Family Housing Program (MHP)	Deferred payment loans for new construction, rehabilitation and preservation of rental housing.	- New Construction - Rehabilitation - Preservation
California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below-market mortgages.	- New Construction - Rehabilitation - Acquisition of Properties from 20 to 150 units
California Housing Finance Agency Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below market loans to 1st time homebuyers. Program operates through participating lenders who originate loans for CHFA.	- Homebuyer Assistance
California Housing Rehab Program – Owner Component (CHRP)	Low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor rehabilitation projects.	- Rehabilitation - Repair of Code Violations, Accessibility Improvements, Room Additions, etc.
Supportive Housing/ Minors Leaving Foster Care	Funding for housing and services for mentally ill, disabled and persons needing support services to live independently.	- Supportive Housing - Foster Care
Self-Help Housing	Provides non-profits with money for self-help construction supervision, loan packaging and homebuyer education.	- Construction Supervision - Loan Packaging - Homebuyer Education
Downtown Rebound	Funding to facilitate infill development and conversion of commercial buildings for "live-work" spaces.	- Rehabilitation - Conversion
3. Local Programs		
Affordable Housing Trust Fund	Funds collected through the Inclusionary Housing Ordinance to support affordable housing activities.	- Acquisition & Predevelopment - Rehabilitation - New Construction
Redevelopment Set-Aside Housing Fund	State law requires that 20 percent of Redevelopment Agency funds be set aside for a wide range of affordable housing activities governed by State law.	- Acquisition & Predevelopment - Rehabilitation - New Construction - Homebuyer Assistance

Table 4
Financial Resources for Housing Activities

Program Name	Description	Eligible Activities
Mills Act	Property assessments for tax purposes are lowered in return for a 10-year agreement to rehabilitate and maintain a historic property.	- Rehabilitation & Maintenance of a Historic Property
California Communities Housing & Finance Agency	Offers the Lease-Purchase Program to assist persons who are unable to save enough for a down payment or have difficulties securing a conventional mortgage.	- Home Buyer Assistance
4. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	- Fixed rate mortgages issued by private mortgage insurers.	- Home Buyer Assistance
	- Mortgages which fund the purchase and rehabilitation of a home.	- Home Buyer Assistance - Rehabilitation
	- Low Down-Payment Mortgages for Single-Family Homes in under served low-income and minority cities.	- Home Buyer Assistance
Savings Association Mortgage Company Inc.	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	- New construction of rentals, cooperatives, self help housing, homeless shelters, and group homes
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for profit developers contact member banks.	- New Construction - Rehabilitation - Acquisition
Freddie Mac	Home Works - Provides 1st and 2nd mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	- Home Buyer Assistance combined with Rehabilitation
Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for profit developers and public agencies for affordable low income ownership and rental projects.	- New Construction
The Actors' Fund of America	Funding to underwrite the cost of renovating/ expanding and developing housing for members of the entertainment community, particularly those who are elderly, disabled or HIV-positive.	- New Construction - Renovation/Expansion

Source: Compiled by CBA Inc., November 2000.

State Housing Funds

During the summer of 2000, California Governor Gray Davis signed the largest housing budget in State history, making available approximately $500 million for affordable housing and related activities. The most substantially funded programs include (but are not limited to) the following: Rental Housing ($177 million), Community Amenities/Development Incentives ($110 million), Ownership Housing ($100 million), Emergency Housing Assistance ($32 million), and Supportive Housing for Minors Leaving Foster Care ($25 million). The City is making efforts to qualify for a portion of these funds in partnership with the WHCHC and other area non-profit organizations. The City anticipates securing approximately $1.4 million.

C. Administrative Resources

Described below are major public and non-profit agencies that have been involved in affordable housing activities in West Hollywood. These agencies/organizations play important roles in meeting the housing needs of the community. In particular, they are critical in the production of affordable housing and improvement of the housing stock. The City provides financial as well as other support to most of the non-profit organizations listed below in the form of social service grants.

West Hollywood Community Housing Corporation (WHCHC): Established in 1986, the WHCHC is the major provider of affordable housing in West Hollywood. The WHCHC leverages local funds provided through the Affordable Housing Trust Fund and redevelopment set-aside with other outside funding, such as the Low Income Housing Tax Credits, and funds from private banks and non-profit corporations. The WHCHC has developed 156 affordable units in West Hollywood, including 49 units for lower-income families, 45 for seniors, and 62 for persons living with HIV/AIDS. Two developments with a total of 20 affordable units (10 for seniors and 10 for families) are currently under development on Detroit Street. Another project is also in the pre-development stage on Havenhurst Drive. WHCHC has been recognized by various organizations for its attractive developments and high standard of property management.

West Hollywood Community Development Commission (Redevelopment Agency): The Community Development Commission is responsible for coordinating housing and economic development activities within the East Side Redevelopment Project Area. A major function of the Agency is to assist in the rehabilitation and development of housing for lower- and moderate-income households in West Hollywood. As mentioned previously, the Agency has recently contributed funds to assist in the development of four ownership units and is partnering with the WHCHC in developing 20 affordable rental units (10 senior and 10 family).

Alternative Living for the Aging (ALA): ALA is a non-profit, non-sectarian organization that assists older people in housing alternatives. ALA operates CO-OP Houses in which each resident has their own bedroom and bath. Residents share meals and assist a cook in planning preparation and clean up five evenings a week.

ALA operates five buildings in the Los Angeles area, including 18 units in West Hollywood. ALA also offers a roommate-matching program for seniors.

Menorah Housing: Menorah Housing uses loans from the federal Department of Housing and Urban Development (HUD) to build and then manage affordable housing buildings (i.e. Section 8 buildings) for elderly persons in Los Angeles County. Each location has a separate waiting list and application. Menorah currently owns 12 properties throughout the County, including 39 units in West Hollywood.

Being Alive: Being Alive is a local non-profit organization that offers peer counseling, roommate referrals, and peer education materials to persons living with HIV/AIDS. The organization also publishes a monthly newsletter with announcements about medical updates and social events directed to HIV-infected individuals.

AID for AIDS: Also based in West Hollywood, AID for AIDS is a non-profit agency that provides financial counseling and short-term financial assistance for rent, utilities, and medications for persons with HIV/AIDS.

D. Opportunities for Energy Conservation

Utility-related costs can directly impact the affordability of housing in Southern California. Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an "energy budget." In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations.

Generally, there are three alternative ways to meet these energy standards.

Alternative 1: The passive solar approach that requires a significant amount of south-facing glazing, moderate-insulation level and large area of "thermal mass."

Alternative 2: Installing glazing with low coefficient of heat transfer and low coefficient of solar heat gain to reduce heat loss and heat gain loads.

Alternative 3: Generally requires higher levels of insulation than Alternative 1, but has little or no thermal mass or window orientation requirements.

Additional energy conservation measure or opportunities include the following: (1) locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; (2) installing higher efficiency heating and cooling equipment; and (3) air distribution duct systems attached to HVAC equipment should be designed to efficiently transfer heated or cooled air throughout the house. In addition,

installation of the duct system with properly sealed joints should reduce wasted air exfiltrated to undesired areas, such as attics.

Energy Conservation Assistance: Local utility providers offer energy conservation assistance programs to promote the efficient use of energy and assist lower-income residents. Southern California Edison provides a variety of energy conservation services under the Low Income Energy Efficiency programs (LIEE), which help qualified homeowners and renters conserve energy and control their electricity costs. Eligible customers receive services from local community agencies and licensed contractors working with Edison. Services include weatherization, efficient lighting and cooling, refrigerator replacement, and energy education. The Southern California Gas Company offers two direct assistance programs to limited income customers: (1) a no-cost weatherization (such as attic insulation and water blankets) and (2) a no-cost furnace repair and replacement service. Both Edison and The Gas Company participate in the California Alternative Rates for Energy (CARE) program, which provides a discount on utility bills.

Green Building Guidelines: The City does not currently have a green building program. Environmental programs staff have initiated a variety of recycling, preferential contracting for green procurement programs. The City is also using a variety of recycled-content building materials in municipal projects including rubberized asphalt, plastic lumber, and recycled-content playground surfacing.

The City recently (2000) received a grant to develop a Green Building Guidelines/Criteria to facilitate the development of "green" or environmentally friendly housing developments in West Hollywood without forcing excessive costs or other burdens upon developers, building owners or occupants. These Guidelines will provide designers and builders with guidance on "Green Building" Design and are used by the City in reviewing funding applications and writing requests for proposals from developers. To develop the Guidelines, working sessions involving City and WHCHC staff, Global Green USA (a national non-profit organization in the green building field), and several local architects will be held to review potential green building strategies and identify those that are applicable to affordable housing.

By supporting green building strategies, the City aims to leverage local housing dollars to create more efficient, longer-lasting, and healthier housing, and support the City's goals in green procurement, solid waste diversion, energy efficiency, water conservation, toxic-use reduction, and stormwater run off.

Housing Accomplishments

4. Housing Accomplishments

Under State Housing Element law, communities are required to assess the achievements under their adopted housing programs as part of the five-year update to their housing elements. These results should be quantified where possible (e.g. the number of units that were rehabilitated), but may be qualitative where necessary (e.g. mitigation of governmental constraints). The results should then be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

West Hollywood's last Housing Element was adopted in 1988, and sets forth various measures to be implemented to address the following general areas:

- Production of new housing;
- Production of affordable and senior housing;
- Preservation and maintenance of existing housing;
- Conservation of affordable housing and housing subsidies;
- Elimination of discrimination in housing;
- Reduction in the cost of producing housing;
- Monitoring and evaluation; and
- Regional cooperation.

This section reviews the progress in implementing these measures since 1989, and their continued appropriateness for the 2000-2005 Housing Element. Table 5 which follows summarizes the City's housing accomplishments since 1989. The Section concludes with an analysis of the City's progress in meeting its regional housing needs (RHNA) during the prior Housing Element cycle.

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
Production of New Housing	
a. Make public the General Plan to inform potential developers of residential development opportunities in the City.	The General Plan is available for public review at the planning counter and public libraries. As part of the General Plan update planned for 2001/2002, the City will make available the updated General Plan on-line on the City's website.
b. Make public its bonus density programs to encourage all interested parties to develop new housing in the City.	The City offers density bonuses in conjunction with projects which provide on-site inclusionary housing. All housing developers are informed of the City's density bonus programs when they contact the City. To date, 53 units have been built under this program.
c. Develop a handbook on how to apply for housing development in the City.	The planning counter offers handouts and other material to inform developers and residents about the City's approval process, design standards, fees, and other development related issues.
d. Periodically, the City will publicize and/ or make revisions or updates in procedure permitting or ordinances which may impact the production of housing in West Hollywood.	The City has been in the process of updating its Zoning Code since 1999. Flyers and newsletters were mailed out Citywide to keep residents informed about the process and proposed changes in the Code. Newspaper and television advertisements were used to publicize workshops on the Zoning Code update. A total of four public workshops were held between February and April 1999, with numerous public hearings before the Planning Commission and City Council.
e. Evaluate General Plan amendment requests for density changes in light of overall impact on the distribution of densities and especially on the provision of adequate higher density zoning.	While the City has not amended the General Plan per se, the City has granted density bonuses throughout West Hollywood, resulting in a Citywide distribution of densities.
Production of Affordable Housing	
a. Through the use of the density bonus program, the City will allow developers to construct additional units if they build low- and moderate-income units.	The City has a generous density bonus ordinance, allowing density increase of 25% to 100% above the maximum density allowed by the underlying zoning. Developments that have received density bonus include projects by WHCHC and projects that comply with the 10% and 20% inclusionary requirements on-site.

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
b. Developers of multiple units who choose not to produce low- and moderate-income units may contribute to the Housing Trust Fund. Review and revise the in-lieu fee contribution periodically to ensure that it provides sufficient funds for the construction of an equivalent number of affordable units not provided for by the developer.	Since its inception in 1986, the City's inclusionary housing program has resulted in the contribution of approximately $5.4 million to the Affordable Housing Trust Fund. The in-lieu fee amount is adjusted annually for inflation. In comparison to most California jurisdictions with an inclusionary housing ordinance in place, West Hollywood's in-lieu fees are high.
c. Develop a program that will allow the conversion of controlled rental units to limited equity cooperatives without involuntary displacement of tenants and while assuring the continued protection of the affordable housing stock.	The Zoning Code allows for the conversion of controlled rental units to limited equity cooperatives without involuntary displacement of tenants.
d. Consider the possible satisfaction of the affordable housing requirements by development of additional affordable units or dedication of existing market-rate units as affordable units at another site in the City.	Since its inception in 1986, the Inclusionary Housing Program has resulted in the on-site construction of 53 units for lower- and moderate-income households within 15 newly constructed buildings. A recently approved 63-unit project on San Vicente Boulevard will satisfy the inclusionary requirement by rehabilitating 20 units off-site (7214 Fountain Avenue). After rehabilitation, the units will be turned over to WHCHC to own and operate, and will be made available to low- and moderate-income households. These units will remain affordable for the life of the property.
Construction of Affordable Housing	
a. Facilitate the development of 15-20 very low, low, and moderate-income units per year through the WHCHC. Provide grants to other not-for-profit agencies that can provide innovative approaches to the production of low- and moderate-income housing units.	Established in 1986, WHCHC has produced 156 affordable units within the City, including 49 units for lower-income families, 45 for seniors, and 62 for persons living with HIV/AIDS. An additional 20 affordable units (10 senior and 10 family) are currently under development on Detroit Street. Over the past five years, WHCHC has produced an average of 24 units per year, thus exceeding the goal of 15 to 20 units annually.

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
Production of Senior Housing	
a. Through the use of a density bonus program, allow developers to construct additional units if they produce 50% or more of their units for senior housing.	In recent years, the City has approved density bonuses for four senior housing projects, three of which were developed by WHCHC.
b. Make available a 14 units/acre or 50% density bonus to developers who reserve the additional increment or 50% or more of the units for occupancy by seniors in areas designated for medium high and high-density residential.	The City has adopted zoning provisions that provide for such a density bonus in the higher density R-3 and R-4 zones.
c. Permit development of small, second units in low density residential neighborhoods within prescribed site development standards to ensure compatibility with existing residences.	Second units are permitted on the majority of single-family (R-1) lots in West Hollywood. During preparation of the Zoning Code in 1991, qualified units constructed without permits, including some second units, were legalized. Legalization was restricted to those units that could be proven to have been in existence since 1979. The City is considering having another amnesty period in the near future to legalize illegally built units.
d. Through the Human Services Department, continue to support alternative living arrangements for seniors by providing support to programs that can provide such arrangement.	The Human Services Department financially supports housing related services for seniors, including placement in congregate living, roommate matching, counseling, congregate meals, home delivered meals, nutrition education, recreation and education, and other services. The Department has allocated approximately $637,500 to support housing related services for the elderly in 2000-01. In addition, the Department publishes a social services directory that provides seniors with detailed information on social services available, including senior services. This directory is also available on-line through the City's website.
e. Provide grants to other nonprofit organizations that can provide innovative approaches for the production of senior housing.	The City has loaned funds to support seniors services and housing offered through Alternative Living for the Aging, a non-profit organization active in West Hollywood.
f. Through WHCHC, the City will facilitate the development of 15 new low- and moderate-income	The WHCHC has developed 45 units for lower-income seniors since it was created in 1986. An additional 10 units of senior housing are currently

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
units per year.	under development on Detroit Street.
Preservation of Existing Housing	
a. Adopt a demolition ordinance requiring that removal of existing residential stock be accompanied by a plan to replace the removed housing on a minimum one for one basis.	The City previously adopted a demolition ordinance, which has been amended to better facilitate new development. Specifically, the City no longer requires a fee for demolition and one-for-one unit replacement for units removed. However, a plan for new development continues to be required for demolition of residential structures. As the ordinance is no longer considered a significant program, it is not included in the 2000-2005 Housing Element.
b. Keep in effect a condominium conversion ordinance to maintain existing affordable units.	The City continues to maintain a condominium conversion ordinance to maintain existing affordable units throughout West Hollywood.
c. Continue to offer rehabilitation services by using CDBG funds for this purpose.	Using CDBG funds, the City provides loans for multi- and single-unit residential rehabilitation projects to address interior building and safety issues. Since 1997, 79 rehabilitation loan projects have been completed. The City also offers the Homes and Gardens Program to assist property owners in addressing exterior conditions. Since inception of the program in 1997, 51 homes and gardens projects have been completed. An additional 17 units are in the design stage. In addition, the City offers the Handyworker program providing free installation of smoke detectors, security doors/grab bars for seniors and disabled persons. Since 1992, 145 handyworker projects have been completed.
d. Designate neighborhood preservation areas to preserve existing single-family residential life styles in the City.	As part of its Zoning Code update, the City has designated neighborhood preservation areas. For the first time, the City has also established a floor-to-area ratio for lower density residential areas to address overbuilding or "mansionization" on single-family lots.
e. Require a deed restriction limiting the occupancy of City-sponsored affordable units to low- and moderate-income individuals for the life of the structure.	The City requires deed restrictions on all City assisted and inclusionary units. Units in WHCHC projects that received density bonus remain affordable in perpetuity, as are all inclusionary units.
f. Establish a mechanism by which illegal housing units can be legalized; define specific criteria, conditions and procedures. Only	During preparation of the Zoning Code in 1991, qualified units constructed without permits, including some second units, were legalized. Legalization was restricted to those units that could

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
units existing at the time of the City's incorporation should be eligible for consideration. f. Establish a mechanism by which illegal housing units can be legalized; define specific criteria, conditions and procedures. Only units existing at the time of the City's incorporation should be eligible for consideration.	be proven to have been in existence since 1979. During that time, 42 applications were received to legalize units. Of these, 2 applications were found incomplete and were never completed; 1 was denied because the structure in question had not been a separate living quarters; and 1 was a legalized addition to a dwelling unit. Of the remaining 38 cases, 33 cases legalized one unit, 4 cases legalized 2 units and 1 case legalized 44 units (apparently a building where many apartments had been subdivided). The City is considering having another amnesty period in the near future to legalize units constructed without permits.
g. Continue and expand financial incentive programs for the maintenance and rehabilitation of existing residential structures; including possible low-interest loans, financial grants, tax rebate and other techniques.	The City offers low-interest deferred loans and grants to help lower- and moderate-income property owners make needed home repairs they otherwise cannot afford. Grants are available to residents in the City's East Side Redevelopment Project Area to paint, improve and landscape residential property.
h. Provide programs which educate the public regarding the technical means to maintain and rehabilitate residential structures.	The City provides brochures to publicize the Homes and Gardens Program as well as the Handyworker Program (for seniors). The City recently received a grant to fund an educational "Green Building" program that promotes the rehabilitation of buildings in an ecological or environmentally friendly manner.
i. Actively pursue its code enforcement program, identifying deteriorated structures and working with the property owner to upgrade the property.	The City implements a pro-active code enforcement program. A special code enforcement officer has been added to work in the East Side Redevelopment Project Area, where historically a significant number of code violations/problems have been found. Eligible properties are referred to the City's rehabilitation programs. As part of this Housing Element update, code enforcement staff conducted a field survey to identify residential properties violating the Property Maintenance Code.
j. Develop incentive programs for the replacement of dilapidated residential structures that cannot be upgraded.	There are few dilapidated residential structures in West Hollywood that are beyond rehabilitation or upgrading. As such, this program has very limited applicability and is not included as a program in the 2000-2005 Housing Element.
Maintaining Existing Affordable Housing	
a. Keep in effect the existing rent	The City continues to enforce the Rent Stabilization

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
stabilization ordinance.	Ordinance, which primarily moderates and monitors the rate of rent increases for rental housing. In 1995 the Costa-Hawkins Rental Housing Act was passed to enforce gradual Statewide de-control of rent controlled housing as vacancy occurs.
b. Keep in effect the existing rent stabilization ordinance.	Full implementation of Costa-Hawkins began in 1999. During that year, 12% of the City's rent-controlled units (1,841 units) were vacated and re-occupied. The overall average rent increase was $150 or 20%. Once re-occupied, rents are re-controlled, with annual rent increases limited by the Rent Stabilization Board.
c. Keep in effect the existing condominium conversion ordinance.	As housing prices continue to escalate, there is greater pressure to convert apartments to condominium ownership. Continued enforcement of the City's condominium conversion ordinance is vital to protecting rental housing opportunities.
d. Continue to offer services to homeless individuals.	The Human Services Department provides funding for emergency shelters serving the homeless, transitional housing, counseling, 12-step program, job training and assistance, referrals, and other services. The Department has allocated $435,000 to support housing related services for the homeless in 2000-01. In addition, the Department publishes a social services directory that provides the community with detailed information on homeless services, short-term food and shelter assistance, AIDS education, job placement, legal services, and mental health services. This directory is also available on-line through the City's website.
Conserving Affordable Housing Production and Providing Housing Subsidies	
a. Assess the feasibility of establishing a shared equity program, whereby the City will lend a potential low- or moderate-income home purchaser up to $75,000 to purchase a home for a ten-year time period at a low interest rate.	The City currently participates in the Mortgage Credit Certificate (MCC) program offered through the County CDC as well as the Lease-Own Program administered by the California Communities Housing and Finance Agency (CCHFA). In addition, the City is considering a local homeownership program, although given limitations on funding, assistance levels would be well below $75,000.
b. Undertake a tax-exempt mortgage revenue bond program.	To date, the City has not issued tax-exempt mortgage revenue bonds. However, the City is

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
	currently exploring undertaking a mortgage revenue bond program as a means to finance new multi-family development. Thus, this program remains appropriate for the 2000-2005 planning period.
c. Actively pursue receiving a share of future State or Federal monies should they become available.	The City actively pursues State or Federal housing funds when they become available. In the past, the City and the WHCHC have been successful in securing competitive funds through the State and Federal governments, including but not limited to HOME funds, Low Income Housing Tax Credits (LIHTC), and Federal Home Loan Bank AHP Funds. The Palm View, a recently completed 40-unit apartment complex for low-income persons with HIV/AIDS, was funded by the City, County CDC, The Actors' Fund of America, Citibank and the Enterprise Social Investment Corporation, which syndicated $4 million of Low Income Housing Tax Credits. The City is currently strategizing on securing a share of the new State housing funds that became available in summer 2000.
d. Encourage owners of rental units to accept County vouchers that provide affordable rental units to low-income individuals.	Apartment owners are encouraged to accept Section 8 vouchers offered through the Los Angeles County Housing Authority. As of September 2000, 908 households in West Hollywood were recipients of Section 8 vouchers. However, the combined effects of Costa-Hawkins, an escalating rental market, and changes in Section 8 rules are resulting in fewer properties being available to Section 8 tenants. A key program for the Housing Element update will be to pursue modifications to the Section 8 program to maximize its effectiveness under the current market rent environment.
e. Work with religious organizations, private foundations, and other institutions in securing funds and participating in the development of affordable housing.	In 1998, the City worked with the WHCHC and The Actors' Fund of America in developing the 40-unit Palm View project for lower-income persons with HIV/AIDS. In addition, the City is currently in discussions with the United Methodist Church to provide ten affordable homes on church property. The City has published the Affordable Housing Resource Guide, which provides information on

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
	private housing providers/organizations, including (but not limited to) the WHCHC, Alternative Living for the Aging, Menorah Housing, Los Angeles County Housing Authority, Being Alive, and AID for AIDS. The City also maintains a housing information hotline for residents and those interested in moving to West Hollywood.
Elimination of Discrimination in Housing	
a. Continue the ordinance making it illegal to discriminate in the sale or rental of housing on the basis of race, religion, sex, age, family status, sexual orientation, or personal health.	The City continues to enforce its ordinance that makes it illegal to discriminate in the sale or rental of housing on the basis of race, religion, sex, age, family status, sexual orientation, or personal health.
b. Direct the Housing Division to receive and follow-up on discrimination complaints.	The Housing Division is available to receive and follow-up on discrimination complaints. Very few complaints have been received by the Division in recent years. Through the CDBG program, the City works with the County of Los Angeles who contracts with and funds a non-profit organization offering various fair housing services.
c. Direct the City Attorney to prosecute any person found to be guilty of violating the housing anti-discrimination ordinance.	The City Attorney will prosecute person(s) found to be guilty of violating the housing anti-discrimination ordinance.
d. Enforce the State's barrier free legislation (Title 24) which requires that all newly constructed units provide easy access to persons with physical disabilities.	The City enforces the State Title 24 to ensure that all newly constructed housing units are accessible to persons with physical disabilities.
Reducing the Cost of Producing Housing	
a. Develop a permit application procedure that will minimize the time between when a developer applies for a building permit and when the permit is actually issued.	The City offers developers free pre-application meetings with planning staff to address questions or concerns they may have and inform them about the City's standards and regulations. To better facilitate residential development, the revised Zoning Ordinance has raised the size threshold for administrative discretionary review from 1 to 4 units, and to 8 units plus 1 bonus unit for R4 properties.
b. Develop a procedure whereby all necessary permits can be obtained with a unified one-stop process, in which all steps in the process are	While the City has not developed a one-stop permit process, all planning related items are coordinated by the planning staff assigned to the project. Plans are reviewed by a Design committee which

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
coordinated through a single staff person.	includes staff from planning, engineering, transportation, fire, and building and safety. The current review process functions effectively, and the City no longer sees a one-stop process as necessary.
c. Set up a construction inspection process whereby all inspections are made within 24 hours of request.	A construction inspection process has been established whereby building inspections are made within 24 hours of request.
d. Set reasonable fee rates for permits and applications to minimize adverse impacts on the production of new housing units.	The City's permit and application fees are reasonable and considered average when compared to surrounding jurisdictions. To facilitate affordable housing development, the City waives all planning fees for non-profit housing providers, and partly fund application fees.
Monitoring and Evaluation	
a. Establish a computerized database that will contain the following type of information: map, book and parcel number, land use category, existing number of units, allowable number of units, number of low- and moderate-income units, number of senior units, rent charged for low- and moderate-income units, rent charged for senior units, age of building, assessment of building conditions etc. Prepare annual reports based on this database.	The City is in the process of developing a comprehensive geographic information system (GIS) database which will be used to meet the needs of various City departments. Currently, the City's GIS contains the following information: parcel address, assessor's parcel number (APN), owner, land value, improvement year and value, zoning code designation, building type, number of units, number of bedrooms and baths, square footage, and legal description. The City maintains a database on rent-controlled units which contains the address, affordability level, and basic information on the occupant of the approximately 15,000 rent controlled units in West Hollywood. Based on this database and additional research, the City recently completed a study on the effects of Costa-Hawkins and Section 8 limits on housing affordability. The City will continue to monitor the impacts of Costa-Hawkins by regularly updating the database. The City also maintains information on Inclusionary Housing units, including their location, rent levels, and basic information about the occupants. Through the Los Angeles County Housing Authority, the City additionally collected information on Section 8 voucher recipients in West Hollywood.

Table 5
Housing Accomplishments since 1989

Measures in 1989 Housing Element	Accomplishments/Continued Appropriateness
b. Prepare an annual report on housing discrimination, complaints and their disposition to assist the City in determining the effectiveness of its anti-discrimination goal.	Only one housing discrimination case has been reported in recent years. This case was resolved in the courts. Due to staff constraints and the very low volume of complaints, no annual report is prepared, and is no longer viewed as necessary.
Regional Cooperation	
a. Work with SCAG and the State to encourage an appropriate fair share of regional housing demands based on population need, percentage of existing affordable units, and ability to accommodate additional growth. Additionally, work with adjacent cities in formulating and implementing strategies for the development and retention of affordable housing.	West Hollywood belongs to the Westside Cities sub-region which also includes the cities of Beverly Hills, Culver City, and Santa Monica. The City is committed to regional cooperation and meets on a regular basis with other Westside Cities to address planning issues.

Source: Rent Stabilization and Housing Department, City of West Hollywood, November 2000.

Comparison of 1989-1994 RHNA with Units Constructed during 1989-1997

West Hollywood's assigned regional housing need (RHNA) for the 1989 to 1994 planning period was a total of 668 housing units, including 102 very low, 140 low, 120 moderate, and 307 upper-income units. While the RHNA originally covered the 1989 to 1994 planning period, the RHNA was extended through December 1997 based on direction from the State Department of Housing and Community Development to reflect the revised housing element cycle. Housing developed as of January 1998 is credited to the City's future RHNA for the 1998-2005 planning period. Table 6 provides a comparison between the 1989-1994 RHNA and actual levels of production.

Table 6
1989-1994 RHNA versus Units Constructed during 1989-1997

Income/Affordability Category	Regional Housing Needs (RHNA)	Number of New Units Constructed	Difference
Very Low	102 (15%)	80 (25%)	-22
Low	140 (21%)	30 (9%)	-110
Moderate	120 (18%)	85 (26%)	-35
Upper	307 (46%)	127 (39%)	-180
Total	668	322	-347

Source: Rent Stabilization and Housing Department, City of West Hollywood, November 2000.

West Hollywood made considerable progress toward meeting its housing need allocations for the 1989-1997 period, given the economic conditions of that time. As illustrated in Table 2, between 1989 and 1997, a total of 328 housing units were built in the City. The shortfall in overall housing production in contrast to RHNA is the result of both land scarcity in West Hollywood and the economic recession which impacted most of the State in the early to mid 1990s. The RHNA was developed prior to the recession and assumed that the economic prosperity in the late 1980s would continue into the 1990s. In reality, residential construction activities were significantly lower than the levels projected by SCAG throughout the Southern California region.

While West Hollywood fell short in total housing production, the City supported a higher proportion of very low- to moderate-income units (61%) as that specified by the RHNA (54%). Specifically, in terms of proportions, the City clearly exceeded its objectives for very low- and moderate-income households.

During the 1989-1997 planning period, WHCHC developed 86 units for very low-income households. These units are located in five developments, including Harper Avenue Apartments (17 units), Harper Community Apartments (22 units), and Laurel-Norton Limited Partnership Apartments (41 units). In addition, the Inclusionary Housing Ordinance resulted in the construction of 53 affordable units, including 30 units for low-income households and 23 units for moderate-income households.

Of the remaining units constructed during the 1989-1997 period, 62 were apartment units and 127 were condominiums, single-family homes, duplexes, and townhomes. Given past housing sales and rent levels, along with information about the larger projects completed, all 62 apartment units are assumed to be at rent levels affordable to moderate-income households and all 127 remaining units are at upper-income sales prices.

HOUSING PLAN

5. HOUSING PLAN

Sections 2 through 4 of the Housing Element present a summary of housing needs, an inventory of land, financial, and administrative resources, and an evaluation of the accomplishments of the last adopted Housing Element. This section presents the City's five-year Housing Plan, which sets forth goals, policies, and programs to address West Hollywood's identified housing needs and other important housing issues.

A. Goals and Policies

The following are the goals and policies the City intends to implement to address the community's identified housing needs and issues.

PRESERVATION OF AFFORDABLE HOUSING

Goal

1. Protect the existing supply of affordable rental housing.

Policies

1.1 Ameliorate the effects of the Costa-Hawkins vacancy de-control regulation on the affordable housing stock both through legislative action and local incentives to maintain affordable rents.

1.2 Pursue modification to the Section 8 program to maximize its effectiveness in the market rent environment created by the Costa-Hawkins Rental Housing Act.

1.3 Provide incentives for the retention and maintenance of existing affordable rental housing, including inclusionary housing units.

1.4 Through the Rent Stabilization Ordinance, provide disincentives for the demolition and incentives for the maintenance of units subject to rent control.

1.5 Continue to provide for the fair regulation of rental housing through the Rent Stabilization Ordinance.

1.6 Encourage the replacement of multi-family housing that is demolished.

1.7 Maintain a condominium conversion ordinance aimed at preserving the City's rental housing stock, and providing tenant protections for units approved for conversion.

HOUSING AND NEIGHBORHOOD CONSERVATION

Goal

2. Maintain and enhance the quality of housing and residential neighborhoods.

Policies

2.1 Encourage the upkeep, maintenance, and rehabilitation of existing housing units consistent with the requirements and conditions of the City's Property Maintenance and Rent Stabilization Ordinances, and provide sufficient staff to enforce these requirements.

2.2 Assist landlords and other property owners in maintaining and improving their properties through the City's residential rehabilitation assistance programs and the Mills Act.

2.3 Ensure that rehabilitation of existing units does not result in permanent displacement of existing residents.

2.4 Implement an amnesty and legalization program for existing housing units constructed without building permits in the City provided that the unit is "livable," and meets basic health and safety requirements.

2.5 Promote strong, on-site management of apartment complexes to ensure the maintenance of housing and neighborhood quality.

2.6 Continue to support healthy neighborhoods by addressing public safety issues, performing ongoing property inspections, and eliminating threats to the public health.

2.7 Support programs and projects which link affordable housing with other community development goals and resources.

PRODUCTION OF HOUSING

Goal

3. Encourage the provision of adequate housing to meet the diverse needs of the community, with due consideration for individuals and households with special needs.

Policies

3.1 Support the development of affordable housing by the West Hollywood Community Housing Corporation and other non-profit organizations through financial assistance and/or regulatory incentives.

3.2 Maintain the Inclusionary Housing Ordinance to ensure that new housing developments provide a percentage of units affordable to lower- and moderate-income households, provide affordable units off-site, or pay an in-lieu fee to support the provision of affordable housing.

3.3 Encourage the production of new housing units on remaining vacant parcels suitable for residential purposes.

3.4 Encourage and provide incentives for the production of housing in appropriate non-residential zones.

3.5 Facilitate the development of housing with on-site supportive services for seniors, persons with disability, individuals with HIV/AIDS.

3.6 Encourage development of new housing units designated for the elderly and disabled persons in close proximity to public transportation services.

3.7 Participate in programs to provide homeownership assistance to lower- and moderate-income households.

PROVISION OF ADEQUATE HOUSING SITES

Goal

4. Provide adequate housing sites through appropriate land use and zoning designations to accommodate the City's share of regional housing needs.

Policies

4.1 Maintain an up-to-date site inventory that details the amount, type and size of vacant and underutilized parcels, and assist developers in identifying land suitable for residential and mixed-use development.

4.2 Establish a Housing Overlay Zone on selected commercial corridors which provides for increased height and development densities, as well as flexible parking and open space standards, to stimulate development.

4.3 Allow housing within Mixed-Use districts to be developed both as stand-alone residential projects ("horizontal mixed-use"), and above ground floor commercial uses. Develop standards to ensure residential developments maintain continuity of pedestrian activity within the Mixed-Use district.

4.4 As part of the City's Land Use Element update, evaluate certain R2 and R3 neighborhoods for potential upzoning based on compatibility with current development densities.

4.5 Provide adequate sites to meet the housing needs of special needs groups, including seniors, disabled persons, persons with HIV/AIDS, the homeless, single parents, and large households.

4.6 Maintain consistency between the Zoning Code and Land Use Element to provide clear guidelines for future residential development in West Hollywood.

4.7 Investigate innovative strategies for encouraging the adaptive reuse of existing structures for residential purposes.

REMOVING GOVERNMENTAL CONSTRAINTS

Goal

5. Mitigate potential governmental constraints to housing development and affordability.

Policies

5.1 Establish and maintain development standards that support housing development while protecting quality of life goals.

5.2 Provide financial and/or regulatory incentives where feasible to offset or reduce the costs of affordable housing development, including density bonuses and reduction(s) in site development standards.

5.3 Provide development standards for residential and mixed-use development in commercial districts, such as shared parking, flexible open space, increased heights and densities.

5.4 Periodically review City fees and regulations to ensure they do not unduly constrain housing development. Provide for reduced Affordable Housing fees and inclusionary housing requirements within Housing Overlay zones as an incentive to residential development in commercial districts.

5.5 Continue to provide planning and development fee reductions for developments that meet the affordable and special housing needs of the community.

5.6 Continue to provide for timely and coordinated processing of residential development projects in order to minimize project holding costs and encourage housing production.

PROMOTING EQUAL HOUSING OPPORTUNITY

Goal

6. Promote equal opportunity for all residents to reside in the housing of their choice.

Policies

6.1 Prohibit discrimination in the sale or rental of housing to anyone on the basis of race, sex, age, family status, sexual orientation, personal health or other such arbitrary circumstances.

6.2 Enhance the opportunity for seniors, persons with disabilities, persons with HIV/AIDS, single parents, and large families to have access to housing of their choice.

6.3 Support non-profit service providers that help meet the diverse housing and supportive service needs of the community, including lower-income households, seniors, disabled persons, persons with HIV/AIDS, single parents, the homeless, and large families.

6.4 Assist in settling disputes between tenants and landlords.

6.5 Offer assistance to residents in locating providers of social services.

B. Housing Programs

The goals and policies presented earlier are implemented through a series of housing programs offered primarily through the City's Rent Stabilization and Housing Department, Community Development Department, and Redevelopment Agency. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies. In accordance to Section 65583 of the State Government Code, the City's housing plan for addressing the community's housing needs is described according to the following six areas:

- Preservation of Affordable Housing
- Housing and Neighborhood Conservation
- Production of Housing
- Provision of Adequate Housing Sites
- Removal of Governmental Constraints
- Promoting Equal Housing Opportunity

The housing programs presented on the following pages include existing programs as well as several new programs that have been added to address West Hollywood's unmet housing needs. The program summary (Table 7) included at the end of this section specifies for each program the following: goal, five-year objective(s), time frame for implementation, funding source(s), and agency responsible for implementation of the program.

PRESERVATION OF AFFORDABLE HOUSING

As of 2000, West Hollywood has approximately 15,000 rent-controlled units, 156 affordable housing units developed by WHCHC, 53 inclusionary units, 366 units of County-managed public housing, and 208 units owned by senior housing providers. In addition, over 900 households in the City are recipients of Section 8 rental assistance. The preservation of these affordable housing units and rental housing vouchers is a critical issue in West Hollywood. A key focus of the City's preservation strategy is to support non-profits in the acquisition and rehabilitation of apartment buildings and maintenance as long-term affordable housing.

1. Multi-Family Acquisition and Rehabilitation

The acquisition and rehabilitation of deteriorated residential properties is a program in West Hollywood's overall strategy to provide long-term affordable housing for lower-income families and/or special needs households, including seniors, disabled

persons, persons with HIV/AIDS, single parents, and large families. Under this program, the City provides funds and/or regulatory incentives to a non-profit housing provider to purchase a deteriorated property. The non-profit in turn coordinates the rehabilitation, maintenance, and management of the project as long-term affordable housing for special needs and/or lower-income households.

The City also uses the multi-family acquisition/rehabilitation program as an option to developers of market-rate housing to satisfy inclusionary housing requirements. For example, The Desmond, a recently approved 63-unit residential development (851 San Vicente Boulevard), is satisfying the inclusionary requirement by rehabilitating 20 units off-site. After rehabilitation, the units are to be turned over to WHCHC to own and operate. All of the 20 units will be restricted for occupancy by low- and moderate-income households for the life of the project, with a minimum of 7 units for low-income households.

Five-year Objective: *The City will identify apartment complexes in need of rehabilitation, and support WHCHC and other non-profits in acquisition and rehabilitation. Projects will be focused in the East Side Redevelopment Project Area to contribute to revitalization efforts in this area. The City's objective is to acquire a minimum of three properties containing approximately 36 units for rehabilitation.*

2. Section 8 Rental Assistance Program

The Section 8 Rental Assistance Program is designed to assist very low-income households in making their monthly rental payments by providing a rent subsidy directly to the participating property owner in the private sector. The objective of the program is to provide the means for decent, safe, and sanitary rental housing for families who might not otherwise be able to afford this type of housing. The Los Angeles County Housing Authority administers the Section 8 program for the City of West Hollywood. As of September 2000, there were 908 households in West Hollywood receiving Section 8 assistance. The vast majority of these recipients were seniors and/or persons with disability.

The number of Section 8 recipients in West Hollywood has been dropping steadily since the Costa-Hawkins Rental Housing Act was adopted. Section 8 rules have recently changed making the program less accessible to very low-income persons and also less flexible to participants. The City is actively pursuing modifications to the Section 8 program to maximize its effectiveness under the current market rent environment.

Five-year Objective: *The City will continue to participate in the Section 8 program and encourage local landlords to accept rental vouchers. The City will undertake proactive measures to ensure the continued availability and usefulness of Section 8 assistance for West Hollywood residents. The City will also work with the Los Angeles County Housing Authority to increase the Fair Market Rent (FMR) levels for vouchers to reflect the actual costs of renting in West Hollywood.*

3. Rent Stabilization Ordinance

The City enacted the Rent Stabilization Ordinance in June 1985 to maintain the affordability of rental housing in West Hollywood. The Ordinance regulates residential rent levels, requires that rental units meet specific maintenance standards, and protects tenants from certain types of eviction. Under the Ordinance, the Maximum Allowable Rent (MAR), the most a landlord could charge, is the initial rent charged for the tenancy plus any intervening general adjustments allowed by the City that the landlord charged to the tenant.

In 1995 the Costa-Hawkins Rental Housing Act was passed to enforce gradual Statewide de-control of rent-controlled housing as vacancy occurs. Full implementation of Costa-Hawkins began in 1999. During that year, 1,841 units were vacated and re-occupied, representing 12% of West Hollywood's 15,000 rent-controlled units. The overall rent increase was $150 or 20%. Once re-occupied, rents are re-controlled, with annual rent increases limited by the Rent Stabilization Board.

Five-year Objective: *The City will continue to maintain a Rent Stabilization program, and work towards alleviating the effects of State mandated vacancy decontrol through legislative action and local incentives to maintain affordable rents.*

4. Preservation of At-Risk Assisted Housing

There are over 700 publicly assisted units in multi-family developments in West Hollywood, consisting of 156 WHCHC units, 208 units owned by senior housing providers, and 366 County-managed housing units. Of these units, 150 senior units are determined to be at risk of conversion to market-rate uses in the 2000-2010 period. All 150 units are in a HUD-subsidized project located at 1222 Fairfax Avenue and owned by United Housing and Community Services Corporation. The 20-year Section 8 contract for the property expires in 2002. However, in recent discussions, the property owner indicated plans to renew the contract indefinitely. The City will take the following actions to preserve the 150 at-risk senior units.

Monitor At-Risk Units: The City will semi-annually monitor the at-risk project by continuing to maintain close contact with the property owner regarding their long-term plan for the project.

Work with Potential Purchasers: Should the property owner be interested in selling the property, the City will provide financial and technical assistance to the WHCHC or other non-profit organizations interested in purchasing and/or managing the units at risk.

Conduct Tenant Education: The California Legislature passed AB 1701 in 1998, requiring property owners to give a nine-month notice of their intent to opt out of low-income use restrictions. Should the owner decide not to renew the Section 8 contract, the City will work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures. The City will also

provide tenants in at-risk projects information regarding Section 8 rent subsidies through the Los Angeles County Housing Authority and other affordable housing opportunities in West Hollywood.

Five-year Objective: *The City will maintain close contact with the owner of the at-risk property, and provide financial and other incentives to maintain the affordability of the 150 units. In addition, the City will continue to monitor rent levels at all publicly assisted housing developments.*

5. Condominium Conversion Ordinance

Apartment projects proposed for conversion to common interest developments are subject to the City's condominium conversion regulations. These regulations require a permit for conversion, and compliance with current zoning requirements for newly developed condominiums, including parking requirements. The Ordinance further makes provisions for protecting the rights of tenants currently residing in the units that are approved for conversion. These provisions comprise specific purchasing rights for the tenants as well as eviction clauses to which they must adhere.

Five-year Objective: *The City will continue to enforce the Condominium Conversion Ordinance.*

6. Residential Referral List

As an attractive, diverse urban community, West Hollywood has a tight rental market, with very low vacancies and high rent levels. To assist those seeking rental units in West Hollywood, the City publishes on-line and updates weekly a list of residential units available for rent. The list is compiled based on information provided by local landlords and apartment management companies.

Five-year Objective: *The City will continue to make available and update weekly the residential referral list of rental units.*

HOUSING AND NEIGHBORHOOD CONSERVATION

Maintaining and enhancing the quality of residential neighborhoods is an important goal for West Hollywood. The vast majority (80%) of the housing stock is thirty years or older, the age when most homes begin to have major home improvement/rehabilitation needs. The City will continue to support neighborhood preservation and upgrading through its offering of housing rehabilitation assistance and code enforcement efforts.

7. Code Enforcement

Code enforcement is a means to ensure the character and quality of neighborhoods and housing is maintained. The City implements an active code enforcement

program to identify properties in violation of the City's Property Maintenance Code and to work with property owners to rectify substandard conditions. On average, 300 structures are cited on an annual basis. Eligible property owners are directed to the City's rehabilitation programs for assistance. A special code enforcement officer has been added to work in the East Side Redevelopment Project Area.

In 2001 the City received $436,800 in funding from the State Department of Housing and Community Development (HCD) over three years to fund a code enforcement outreach program, the hiring of a bilingual code enforcement (English/Russian), and a displacement program.

Five-year Objective: *The City will continue to implement the Code Enforcement program to ensure routine property maintenance, and eliminate substandard building conditions. The City will inform owners of cited properties about the Residential Rehabilitation Program.*

8. Residential Rehabilitation Program

To help preserve and upgrade the housing stock in West Hollywood, the City offers the Residential Rehabilitation Program, which provides rehabilitation assistance to low- and moderate-income homeowners and apartment complexes in which a majority of the occupants are low- and moderate-income. Funded with CDBG funds, the program offers deferred 20-year loans (with 0% interest per annum) of up to $20,000 for improvements to single-family homes and up to $10,000 per unit for apartment buildings.

Types of improvements that may be funded include structural repairs, insulation, termite damage, porch repair, painting, stucco, roofs, plumbing and electrical systems, air-conditioning and heating, bathroom and kitchen upgrading, windows and security bars. Properties located east of Fairfax Avenue are given priority under this program.

The City recently reorganized and established the Department of Rent Stabilization and Housing. This reorganization has provided for better coordination between code enforcement and the residential rehabilitation program. The paired approach of code enforcement and rehabilitation assistance has been particularly effective in improving the quality of housing in the Redevelopment Project Area.

Five-year Objective: *Through the Residential Rehabilitation Program, the City will provide rehabilitation assistance to improve 5 single-family homes and apartment buildings containing approximately 75 units during the 2000-2005 period. The City will continue to advertise the availability of this program on the City's website and provide brochures at the public counter. In addition, the City will continue to coordinate its code enforcement efforts with available rehabilitation assistance.*

9. Homes and Gardens Program

The Homes and Gardens Program provides forgivable loans and technical assistance to lower- and moderate-income owners of single- and multi-family dwellings to address exterior code violations, as well as make façade and landscaping improvements. The maximum loan amount is $20,000. A property owner must enter into an agreement with the City to conform to basic property maintenance standards. For each year that the owner is in compliance, one-fifth of the loan is forgiven, with the entire amount forgiven after five years

Types of improvements that may be funded include painting, stucco work, replacement of windows, fencing and landscaping improvements. This program focuses on the East Side of West Hollywood, where historically a significant number of code violations/problems have been found.

Five-year Objective: *The City will provide grants to 70 lower- and moderate-income households through the Homes and Gardens Program during the 2000-2005 period. The City will continue to advertise the availability of this program on the City's website and provide brochures at the public counter.*

10. Home Secure Program

The Home Secure Program offers free security devices and home protection measures, including door locks, grab bars, peep holes and smoke detectors, to lower-income residents, especially seniors and persons with disability. The City promotes this CDBG-funded program through community outreach and referrals.

Five-year Objective: *The City will assist 100 households annually through the Home Secure Program. The City will continue to advertise the availability of this program on the City's website and provide brochures at the public counter. In addition, the City will continue to conduct community outreach and make referrals to promote use of the program.*

11. Mills Act Contracts

Mills Act Contracts are offered to owners of properties which are designated as Cultural Resources within the City. Under these contracts, the basis for property tax assessments is changed from last sale price to an analysis of the income stream of the property for rental units (or a presumed income stream for owner-occupied units), in recognition of the higher maintenance costs for historic properties. In exchange for lowered property taxes, the property owner agrees to a ten-year maintenance plan for the building.

Five-year Objective: *The City will conduct increased outreach efforts to owners of historic properties. The City will continue to advertise the availability of this program through hand-outs at the public counter.*

PRODUCTION OF HOUSING

West Hollywood implements various programs to encourage a diversity of housing types. Part of this diversity is addressed through the Regional Housing Needs Assessment (RHNA), which encourages the construction of housing for all economic segments in the community. Housing diversity is important to ensure that all households, regardless of age, income level, and household type, have the opportunity to find housing suited to their lifestyle. The following programs support housing production.

12. Affordable Housing Development through Non-Profits

The West Hollywood Community Housing Corporation (WHCHC) plays a major role in providing affordable housing in West Hollywood. Established in 1986, the WHCHC was formed to build, rehabilitate, and manage affordable housing developments for lower-income and special needs households in the City. WHCHC has been recognized for its attractive developments and high standard of property management.

The WHCHC leverages local funds provided through the Affordable Housing Trust Fund and redevelopment set-aside with other outside funding, such as Low Income Housing Tax Credits, redevelopment affordable housing program funds and so forth. In addition to financial assistance, the WHCHC receives regulatory incentives from the City, including reduced parking requirements, and waiver of development fees for affordable projects. Since 1986, the City has assisted the WHCHC in the development of 156 affordable units, including 49 units for lower-income families, 45 for seniors, and 62 for persons living with HIV/AIDS. An additional 10 senior units and 10 units for families are currently under development on Detroit Street.

In addition to the WHCHC, the City has worked with other non-profits including Menorah Housing and Alternative Living for the Aging, and is interested in continuing to support non-profits in the provision of affordable housing. The City is currently in discussions with the United Methodist Church to provide ten affordable apartment units on church property.

Five-year Objective: *The City will continue to support WHCHC and other non-profit organizations in the development of affordable and special needs housing through the provision of financial and regulatory incentives. The City's five-year objective is to complete the 22 affordable housing units on the Havenhurst property and 20 (10 senior and 10 family) units on Detroit Street. Furthermore, the City aims to facilitate the development of 30 to 40 additional units.*

13. Inclusionary Housing Ordinance

Established in 1986, the Inclusionary Housing Ordinance requires residential developers to set aside a portion of units in each new housing development for lower- and moderate-income households. This set-side is 20% for projects with over ten units, and 10% for projects with ten or fewer units. For projects with 20 or fewer units, however, the City allows the option of paying an in-lieu fee that is deposited into the City's Affordable Housing Trust Fund. In addition, projects of

or fewer units, however, the City allows the option of paying an in-lieu fee that is deposited into the City's Affordable Housing Trust Fund. In addition, projects of any size are permitted to provide inclusionary units off-site. The City currently offers in-lieu fee waivers for residential projects in the East Side Redevelopment Project Area on a project-by-project basis.

To encourage the construction of affordable housing, the City provides developers who include inclusionary units in their projects with density bonuses. The standard bonus is equal to the number of inclusionary units provided, while other density bonuses can allow density increases of 25% to 100% above the maximum density permitted by the underlying zone. The Inclusionary Ordinance also provides the following regulatory incentives: reduction in site development standards; modification of architectural design requirements; approval of a mixed-use project in conjunction with the residential project if commercial, office, or other land use will reduce the cost of the residential development; and other regulatory incentives proposed by the applicant or City which results in identifiable cost reductions.

As part of the proposed Housing Overlay Zone (Program #18), the City is evaluating additional incentives for residential and mixed-use development within designated commercial districts. One of the proposed incentives is to provide a 50% reduction in the Affordable Housing In-Lieu fee, or a reduction in required on- or off-site inclusionary units to 15% for projects above 10 units. Density incentives will continue to be provided to encourage provision of units on-site. The City will further evaluate the Inclusionary Housing Ordinance for consistency with State density bonus law and make necessary refinements.

Five-year Objective: *The City will consider modifying the Inclusionary Housing Ordinance to reduce in-lieu fees and inclusionary housing requirements by half within Housing Overlay areas. Included will be a five-year sunset of ordinance revisions, at which time the ordinance will be re-evaluated and revised as appropriate. The City will continue to provide in-lieu fee waivers for residential projects in the East Side Redevelopment Project Area on a project-by-project basis. The City will revise its Inclusionary Housing Ordinance to ensure consistency with State density bonus law and make necessary refinements in 2002. The City will also consider revising the in-lieu fee structure to exclude exterior floor space in determining the fee amount.*

14. Commercial Development Impact Fee

In conjunction with the Inclusionary Housing Ordinance, the City has established a Commercial Development Impact Fee to mitigate the impact of new commercial development on the need for affordable housing and generate additional revenues for affordable housing activities. Under this program, new commercial developments in West Hollywood are required to provide housing affordable to employees or pay an in-lieu impact fee, which is placed in the Affordable Housing Trust Fund to be used for a variety of housing activities, including rehabilitation and new construction.

Five-year Objective: *The City will continue to levy the Commercial Impact Fee to ensure that commercial employers provide affordable housing or pay in-lieu fees that will be used for affordable housing activities.*

15. Lease-Purchase Program

In November 2000, the City of West Hollywood entered into an agreement with the California Communities Housing and Finance Agency (CCHFA), a joint powers authority, to initiate participation in the Lease-Purchase Program. Under the program, a prospective lease-purchaser locates a house for sale, then enters into a lease-purchase agreement with the CCHFA. The CCHFA purchases the house on behalf of the lease-purchaser and leases the house to him/her for the first 38 months of the 30-year mortgage. The purchaser pays a program participation fee of 1% and must make time lease payments during the first three years. After the three years, the lease-purchaser assumes the remaining 27 years of the loan and is granted the value of the down payment and closing costs.

The Lease-Purchase Program aims to assist persons who are unable to save enough money for a down payment and/or may have difficulties securing a mortgage from conventional sources. Eligible households are those earning up to 140% of the County median income and the current (2000) maximum home purchase price is $252,700. This program is not limited to first-time homebuyers.

Five-year Objective: *The City will market the availability of the Lease-Purchase program through its website and the distribution of program brochures at the public counter.*

16. Mortgage Credit Certificate (MCC)

The MCC program is a federal program administered by the Los Angeles County Community Development Commission to assist low- and moderate-income first-time homebuyers. A mortgage credit certificate is issued to qualified homebuyers allowing them to take a federal income tax credit of up to 15% of the annual mortgage interest paid. The MCC program has covenant restrictions to ensure the affordability of the participating homes for a period of 15 years. The current (2000) maximum purchase home price is $230,564 for a new home and $196,198 for an existing unit. Given the sales price maximums, the applicability of the MCC program in West Hollywood is likely to be restricted to condominium units.

Five-year Objective: *The City will more aggressively market the availability of the MCC program through its website and the distribution of program brochures at the public counter.*

PROVISION OF ADEQUATE HOUSING SITES

Meeting the housing needs of all segments of the community requires the provision of adequate sites of all types, sizes and prices of housing. The City's General Plan

and Zoning Ordinance determine where housing may locate, thereby affecting the supply of land available for residential development.

17. Vacant Site Inventory

As part of the 2000-2005 Housing Element update, a parcel-specific vacant site analysis was performed using the City's Geographic Information System (GIS) and up-to-date land use information. The analysis determined that there are 37 vacant residential parcels encompassing approximately 5.6 acres, with the potential to accommodate 210 new housing units under current zoning. Additional units can be developed with density bonuses.

Five-year Objective: *The City will contact property owners of vacant residential sites to discuss opportunities for development and available funding to support in affordable housing.*

18. Housing Overlay Zone

The City recognizes that in addition to vacant residential lots, there is significant potential for additional housing to be developed along major commercial corridors in West Hollywood, including Santa Monica Boulevard, Sunset Boulevard, La Brea Avenue, Fairfax Avenue and Beverly Boulevard. A major focus of the City's General Plan is to create pedestrian oriented mixed-use districts where residents can walk to commercial activities. The City's General Plan and Zoning Code encourage residential and commercial mixed-use development along these corridors, with additional density incentives offered for integration of residential uses. However, these incentives have not proved successful in attracting the mixed-use development envisioned under the General Plan.

As part of this Housing Element update, the City will establish a "Housing Overlay Zone" along these commercial corridors, where significant increases in densities will be permitted as a means of better attracting residential development (refer to Figure 3 in the Housing Resources chapter). The following incentives will be offered within the Overlay:

- Increased Floor Area Ratios (FARs)
- Increased Heights – up to 5 stories (50–60 feet) in select locations
- 50% Reduction in Affordable Housing In-Lieu Fees, or
- Reduction in On- or Off-Site Affordable Units to 15% (for projects above 10 units)
- Flexible development standards – e.g. allowances for shared parking, use of roof decks for open space, etc

Housing will be permitted to be developed both as stand-alone residential ("horizontal mixed-use"), as well as above ground floor commercial uses. The intent of the Overlay will be to provide flexibility in development standards to facilitate development, while ensuring quality and compatibility with surrounding uses.

Housing will be permitted to be developed both as stand-alone residential ("horizontal mixed-use"), as well as above ground floor commercial uses. The intent of the Overlay will be to provide flexibility in development standards to facilitate development, while ensuring quality and compatibility with surrounding uses.

Five-year Objective: *The City will adopt the Housing Overlay Zone as part of the Housing Element, and follow-up with amendments to the Land Use Element and Zoning Code within one year to define specific standards. The City will work with the development community in identifying viable development sites within the Overlay Zone, and in contacting property owners.*

The City will modify the Inclusionary Housing Ordinance to reduce in-lieu fees and inclusionary housing requirements by half within Housing Overlay areas. The City will include five-year sunset of ordinance revisions, at which time the ordinance would be re-evaluated and revised as appropriate.

19. Land Use Element Update

The City of West Hollywood adopted its first General Plan in 1988 to define the framework by which the City's physical, economic, and human resources are to be managed and utilized over time. Through implementation of the Plan over the past 10+ years, many of the Plan's visions for housing are being realized, including preservation of single-family neighborhoods and provision of special needs and affordable housing. One of the Plan's primary goals is to achieve an "urban village environment wherein social and pedestrian interactions are promoted and residents are located in close proximity to services, employment, and recreational/cultural opportunities". However, as previously described, the goal to integrate housing within commercial districts to enhance the "urban village" has yet to be fulfilled. The Housing Overlay Zone defined above is now being proposed as a tool to better facilitate residential mixed use, and achieve the City's land use vision.

Five-year Objective: *The City intends to undertake a comprehensive update of its entire General Plan beginning in 2002/2003. Given the City's history of extensive community involvement, this is anticipated to be a multi-year effort. In order to ensure the standards are in place to more quickly move forward with development within the Housing Overlay Zone, the City will amend the Land Use Element to incorporate the Overlay Zone within one year of adopting the Housing Element.*

REMOVAL OF GOVERNMENTAL CONSTRAINTS

Under current State law, the Housing Element must address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. The following programs are designed to mitigate government constraints on residential development and facilitate the development of housing affordable to lower- and moderate-income and special needs households.

To facilitate the development of affordable housing, the City offers density bonuses to developers who include inclusionary units in their projects. The Standard bonus is equal to the number of inclusionary units provided, while other density bonuses can allow density increases of 25% to 100% above the maximum density permitted by the underlying zoning. In addition, the Inclusionary Housing Ordinance provides for the following regulatory incentives:

- Reduction in site development standards, including a reduction in setbacks, square footage requirements or parking space requirements;
- Modification of architectural design requirements;
- Approval of a mixed-use project in conjunction with the residential project if commercial, office or other land use will reduce the cost of the residential development; and
- Other regulatory incentives proposed by the applicant or City that result in identifiable cost reductions.

Aside from projects that comply with the inclusionary requirements on-site, projects by WHCHC have also received density bonuses and other regulatory concessions/incentives from the City.

Five-year Objective: *The City will continue to offer density bonus to affordable housing projects by non-profit developers and to projects complying with the 20% inclusionary requirements on-site.*

21. Zoning Ordinance Update

The West Hollywood Zoning Ordinance was originally adopted in 1989, and serves as the most detailed information available on the City's expectations for new development and changes in land use. The Zoning Ordinance determines where residential, commercial, and other land uses may locate within the City, what type of permit is required for each use, and what standards apply to the planning and design of development. After years of use, a number of problems have been identified with the current Zoning Ordinance, including conflicts between current Ordinance requirements and recent changes in State zoning law, readability, and areas of inconsistency with the City's 1988 General Plan. For these reasons, the City has been in the process of revising the Ordinance to more effectively respond to the City's current needs and expectations for development

Key changes proposed in the Ordinance that will better facilitate development include the following:

- *Reduced multi-family residential parking requirement:* New Ordinance to allow 2 spaces for 2 to 3-bedroom units and 3 spaces for 4+ bedroom units. Current code requires 1 space per bedroom for all multi-family units.
- *Allowances for tandem parking:* Up to 100% tandem parking spaces permitted by right under new Ordinance for narrow lots or courtyard housing.

- *Reduced open space requirement:* Private open space reduced from 200 to 120 square feet per unit for condominiums, consistent with that for apartments. Allowances for up to 40% common/private open space to be provided on rooftop. Overall simplification of common open space requirements.
- *Simplification/increase in building height limits in residential districts*
- *Increased size threshold for discretionary review:* New Ordinance allows apartment projects with four or fewer units to be approved administratively, or up to eight units (plus one low-income unit) in R4 zones.

As part of the current Housing Element update, several additional residential development standards have been identified requiring further study and possible modification to better facilitate housing development. Particularly within the Housing Overlay Zone, the City will evaluate the following:

- Increased Height – Allowances for 5 stories, or 50 to 60 feet in select commercial districts. Allowances for increased height above natural grade for subterranean garage;
- Reduced Parking – Allowances for shared parking with commercial uses, municipal lots;
- Flexible Open Space – Allowances for use of roof decks (excluding arbors/trellises in height calculation) and use of front and side yards;
- Reduced Affordable Housing In Lieu Fees and Inclusionary Requirements – For projects within the Housing Overlay, 50% reduction in fee amount, or a reduction in the required on- or off-site inclusionary units to 15% for projects with more than 10 units.

Five-year Objective: *The City will amend the Zoning Ordinance within one year of adoption of the Housing Element to specify modified development standards within the Housing Overlay, and residential districts as appropriate.*

22. Streamlined Processing Procedures

Residential development in West Hollywood requires permits and/or approvals from various City departments, such as a permit to remove rental units from the Rent Stabilization and Housing Department, and Planning Commission approval of a subdivision map and site plan. In order to streamline project processing, the City's new Zoning Ordinance increased the threshold for Planning Commission review of apartments and projects in R4 zones. The City will evaluate further streamlining development review and processing procedures, particularly for projects within the Housing Overlay Zone.

Five-year Objective: The City will develop a handbook of interdepartmental regulations and services to guide applicants through the development approval process. Evaluate the threshold for Planning Commission review for residential projects, and other modifications to streamline development processing.

23. Flexible Development Fees

The City levies various impact fees on new developments to address deficiencies in community amenities, such as parks, transit-related facilities, and art. To ensure that impact fees do not constrain affordable housing development, the City exempts WHCHC projects and residential developments with more than 25% affordable housing units from the art, park, and transportation fees (per Section 9594.f of the Zoning Ordinance). In addition, this Housing Element establishes a program (Program #18) to grant a 50% reduction in housing in-lieu fees for residential development within Housing Overlay areas.

Recognizing that the park fee may constrain development, the City plans to re-evaluate the park fee based on Census 2000 information on average household size. Currently, new development is required to pay a park and recreation fee (Quimby Fee) based on a formula that calculates the average cost of land acquisition for a standard equal to three acres per 1,000 residents. This standard is based on the Los Angeles County average of approximately three persons per household. In West Hollywood, the average household size is 1.53 persons per household in 2000 (according to the 2000 Census).

Five-year Objective: The City will continue to exempt WHCHC projects and residential developments with more than 25% affordable housing units from the art, park, and transportation fees. By 2002, the City will re-evaluate the park fee based on Census 2000 information on average household size.

PROMOTING EQUAL HOUSING OPPORTUNITY

To adequately meet the housing needs of all segments of the community, the housing plan must include program(s) that promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, physical disability, sexual orientation, or other arbitrary reason.

24. Fair Housing Program

As a participating jurisdiction in the Los Angeles County CDBG program, fair housing services are coordinated by the County Community Development Commission on behalf of the City. The County contracts with a non-profit organization, which identifies, mediates and, if necessary, prosecutes landlords and property owners in violation of fair housing laws. The fair housing provider also provides information to the public about housing discrimination and landlord/tenant rights and responsibilities.

Apartment owners and managers are one of the most important groups to educate about fair housing issues, particularly with reports of tenant harassment in West Hollywood brought about by Costa-Hawkins vacancy decontrol. The Apartment Owners Association of Greater Los Angeles conducts seminars on State and Federal

housing laws, and problems of housing discrimination. In order to bring up these issues in the local community, the City will sponsor a seminar at which the Apartment Association makes a presentation and initiates discussion of fair housing issues with local apartment owners and managers.

Five-year Objective: *The City will continue to promote fair housing practices, provide educational information on fair housing issues to the public, and specifically sponsor a seminar in the community with the Greater Los Angeles Apartment Association.*

25. Tenant/Landlord Mediation

Mediation is an informal and voluntary way of resolving disputes between tenants and landlords. The City offers a mediation program as an alternative means to settle disputes regarding maintenance, housing services, and other tenant/landlord issues. Mediation is free, voluntary, and informal. Mediation is conducted by a staff member from the Rent Stabilization and Housing Department in a neutral setting. The mediator is an impartial third party who serves to facilitate the discussion and focus on all the issues. The tenant and landlord have the opportunity to communicate openly and directly with each other to arrive at a mutually satisfactory agreement.

Five-year Objective: *The City will continue to offer the mediation program and provide program brochures at the public counter.*

26. Services for Special Needs Populations

The City financially supports various non-profit services providers that help meet the supportive services needs of West Hollywood residents, including lower-income families, seniors, disabled persons, persons with HIV/AIDS, and the homeless. Major non-profit service providers active in West Hollywood include Alternative Living for the Aging, Menorah Housing, Being Alive, and AID For AIDS. Services currently offered through these organizations include roommate referrals, senior nutrition sites, home improvement assistance, health center, in-home supportive services, peer counseling, short-term financial assistance for rent and utilities, and legal services.

Five-year Objective: *The City will continue to provide financial support to non-profit services providers that help meet the supportive services needs of West Hollywood's diverse community.*

27. Tenant Eviction Protection Program

The City's Rent Stabilization Ordinance limits the grounds on which a tenant may be evicted to the following: nonpayment of rent; creating a nuisance or using a rental unit for illegal purposes; subleasing without a landlord's permission; failure to provide the landlord with reasonable access; violating the rental agreement; and failure to renew a rental agreement. Tenants may also be evicted when the owner

seeks to withdraw the entire property from the rental housing market pursuant to the Ellis Act. Certain of these evictions entitle the tenant to receive relocation assistance from the tenant's landlord.

Five-year Objective: *The City will continue to prevent unlawful evictions; fund legal aid organization(s) which provide tenant education and representation regarding landlord/tenant disputes; and review current laws and recommend any needed modifications to ensure protection of tenants to the maximum extent legally possible.*

28. Homeless Assistance

The 1990 Census identified approximately 160 homeless persons in West Hollywood. The City's Homeless Outreach Team (2000) estimates that on any given day there are currently approximately 40 homeless persons in the City. The Foundation House is currently the only homeless shelter located within the City. The facility is operated by P.A.T.H. or People Assisting the Homeless, a local non-profit organization, and offers 63 beds for adult homeless persons. Of these 63 beds, 42 are for shorter-term stay (four months) and 21 for longer-term stay (six months). The Foundation House is soon to be relocated outside the City to Hollywood to a larger multi-service center providing a continuum of care for the homeless. The facility will continue to provide services and outreach to West Hollywood residents, and the City will continue its financial support of the center.

To assist in meeting the special housing needs of the homeless, Human Services Department provides shelter referrals to various facilities, including: the Foundation House; the Gay and Lesbian Center's shelter program (for persons 24 years or younger); various youth shelter programs in Hollywood; the Van Ness Recovery House (a residential drug and alcohol treatment program); and other residential treatment programs in the County. Most of these facilities also offer a variety of services, which include street outreach, counseling, case management, medical and dental care, substance abuse services, food, and job training and placement.

Five-year Objective: *The City will continue to contribute a portion of its CDBG funds to support non-profit organizations serving the homeless. The City will continue to provide shelter referrals to homeless persons to assist them in securing housing that meet their special needs.*

29. Social Services Directory

The Human Services Department publishes on-line a social services directory to provide the community with detailed information on assistance or services available, including food and shelter, AIDS education, pre-school, job placement, legal services, mental health services, and homeless services. These services are provided by contracts with local non-profit agencies and by in-house programs. The directory can also be obtained by contacting the Human Services Department.

Five-year Objective: *The City will regularly update the social services directory, and make it available to residents at the public counter and on its website.*

30. Enhanced Management Program

The Enhanced Management Program is administered by WHCHC at all of its projects, including the more recently completed Palm View development which offers 40 apartment units for low-income persons with HIV/AIDS. This program combines standard property management practices with referral to community service agencies, information about supportive services and community building activities. At each WHCHC development, a Resident Services Coordinator is available and responsible for maintaining contact with residents and monitoring their need for social services.

Five-year Objective: *The WHCHC will continue the Enhanced Management Program at all of its future housing projects.*

Table 7
Housing Implementation Programs Summary

Housing Program	Program Goal	Five-year Objective	Funding Source	Responsible Agency/ Department	Time-Frame
Preservation of Affordable Housing					
1. Multi-Family Acquisition & Rehabilitation	Rehabilitate deteriorated properties.	Acquire & rehabilitate 36 units.	Redevelop-ment Funds	Rent Stabilization & Housing	2000-2005
2. Section 8 Rental Assistance Program	Assist very low-income households.	Continue participation & seek higher fair market rents.	HUD	County Housing Authority	2000-2005
3. Rent Stabilization Ordinance	Moderate & monitor rent increases.	Continue to implement program. Pursue legislative action & local incentives to maintain affordable rents.	General Funds	Rent Stabilization & Housing	Ongoing
4. Preservation of At-Risk Assisted Housing	Preserve at-risk assisted housing units.	Maintain close contact with owner of at-risk property.	General Funds; Affordable Housing Trust Funds	Rent Stabilization & Housing	Ongoing
5. Condominium Conversion Ordinance	Preserve the rental housing stock.	Continue to implement program.	General Funds	Rent Stabilization & Housing	Ongoing
6. Residential Referral List	Assist renters in securing rental units.	Continue to make list available & update weekly.	General Funds	Rent Stabilization & Housing	Ongoing
Housing and Neighborhood Conservation					
7. Code Enforcement	Ensure maintenance & improvement of housing stock.	Continue to implement program.	CDBG	Rent Stabilization & Housing	Ongoing
8. Residential Rehabilitation Program	Rehabilitate single- and multi-family housing units.	Rehabilitate 5 single-family & 75 multi-family units.	CDBG	Rent Stabilization & Housing	2000-2005
9. Homes & Gardens Program	Facilitate home improvements.	Provide grants to 70 households.	CDBG; Redevelop-ment Funds	Rent Stabilization & Housing	2000-2005
10. Home Secure Program	Facilitate home improvements.	Assist 100 households annually.	CDBG	Rent Stabilization & Housing	2000-2005

Table 7
Housing Implementation Programs Summary

Housing Program	Program Goal	Five-year Objective	Funding Source	Responsible Agency/ Department	Time-Frame
11. Mills Act Contracts	Facilitate upkeep & maintenance of historic properties.	Conduct increased outreach efforts to owners of historic properties. Continue to advertise program.	General Funds	Rent Stabilization & Housing; Community Development	2000-2005
Housing Provision					
12. Affordable Housing Development through Non-Profits	Facilitate development of affordable housing.	Facilitate development of 70 to 80 affordable units.	Affordable Housing Trust Funds; Redevelop-ment Funds	Rent Stabilization & Housing; WHCHC	2000-2005
13. Inclusionary Housing Ordinance	Integrate affordable housing within market-rate projects.	Consider modifying Ordinance in Housing Overlay areas. Evaluate Ordinance for consistency with State density bonus law.	General Funds	Rent Stabilization & Housing	Evaluate & make needed refine-ments in 2002.
14. Commercial Development Impact Fee	Generate additional funds for housing activities through new commercial developments.	Continue to levy the fee.	General Funds	Rent Stabilization & Housing	Ongoing
15. Lease-Purchase Program	Expand homeownership opportunities.	Advertise program availability.	CCHFA Funds	CCHFA; Rent Stabilization & Housing	2000-2005
16. Mortgage Credit Certificate (MCC)	Expand homeownership opportunities.	Advertise program availability.	Federal Tax Credits	LACDC; Rent Stabilization & Housing	2000-2005
Provision of Adequate Housing Sites					
17. Vacant Site Inventory	Provide adequate residential sites.	Contact property owners to discuss opportunities for development.	General Funds	Community Development	2002

Table 7
Housing Implementation Programs Summary

Housing Program	Program Goal	Five-year Objective	Funding Source	Responsible Agency/ Department	Time-Frame
18. Housing Overlay Zone	Promote mixed-use development at designated locations.	Establish the Housing Overlay Zone. Modify Land Use Element & Zoning within 1 year. Outreach to developers & property owners.	General Funds	Community Development	Adopt Overlay in 2002 with Housing Element. Define stndrds 2002-03
19. Land Use Element Update	Provide adequate residential sites.	Amend Land Use Element to reflect Housing Overlay.	General Funds	Community Development	2002-03
Removal of Governmental Constraints					
20. Residential Density Bonus and Other Development Incentives	Encourage development of affordable housing.	Continue to implement program.	General Funds	Community Development; Rent Stabilization & Housing	Ongoing
21. Zoning Ordinance Update	Ensure consistency between Zoning Ordinance & General Plan.	Amend Zoning Ordinance to reflect Housing Overlay.	General Funds	Community Development	2001-02
22. Streamlined Processing Procedures	Streamline & simplify the permitting process.	Develop hand-book of regulations & services. Evaluate thres-holds for PC review.	General Funds	Community Development	2002
23. Flexible Development Fees	Provide flexibility in development fees.	Exempt WHCHC & other affordable projects from the art, park, & transportation fees. By 2002, re-evaluate the park fee.	General Funds	Community Development	Ongoing Re-evaluate park fee by 2002
Equal Housing Opportunity					
24. Fair Housing Program	Promote enforcement of fair housing laws.	Provide fair housing information to the public & sponsor seminar in conjunction with Apartment Association.	CDBG	Rent Stabilization & Housing; LACDC	Ongoing Seminar in 2001

Table 7
Housing Implementation Programs Summary

Housing Program	Program Goal	Five-year Objective	Funding Source	Responsible Agency/ Department	Time-Frame
		Association.			
25. Tenant/Landlord Mediation	Settle disputes between tenants & landlords.	Continue to offer program.	CDBG	Rent Stabilization & Housing	Ongoing
26. Services for Special Needs Populations	Meet supportive service needs of community.	Continue to financially support non-profit service providers.	CDBG	Human Services	Ongoing
27. Tenant Eviction Protection Program	Protect the rights of tenants.	Continue to implement program.	General Funds	Rent Stabilization & Housing	Ongoing
28. Homeless Assistance	Meet the housing & supportive services needs of homeless persons.	Continue to assist homeless persons through referrals to shelters & service providers.	CDBG	Human Services	Ongoing
29. Social Services Directory	Provide community with information on social services available.	Continue to make directory available & update on a regular basis.	General Funds	Human Services	Ongoing
30. Enhanced Management Program	Meet the supportive services needs of residents in WHCHC projects.	Continue to implement program in future WHCHC projects.	Affordable Housing Trust Funds; General Funds; Redevelop-ment Funds	WHCHC	Ongoing

Five-Year Goal Summary:

TOTAL UNITS TO BE CONSTRUCTED: 410 units (75 very low, 107 low, 81 moderate, 147 upper)
TOTAL UNITS TO BE REHABILITATED: 192 units (52 very low, 110 low, 40 moderate)
TOTAL UNITS TO BE CONSERVED: 908 very low-income (Section 8) rental subsidies, 150 units for seniors

GLOSSARY

WEST HOLLYWOOD

APPENDIX A: GLOSSARY OF TERMS

Acre: a unit of land measure equal to 43,560 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Any residential unit for moderate-income persons or family or for lower-income persons or family which, as defined in Health and Safety Code Section 500719.5, shall be affordable at rent that does not exceed 30% of 60% of area median income. Those units targeted for very low-income households, as defined in Health and Safety Code Section 50105, shall be affordable at a rent that does not exceed 30% of 50% of the area median income.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

Bedroom Factor: A ratio established by the Council which is used to adjust the sales or rental price of a housing unit for the purpose of determining whether the unit may be considered "inclusionary" (affordable to households of low or moderate income). The current bedroom factors are as follows: studio = 0.70; 1 bedroom = 0.80; 2 bedrooms = 0.95; 3 bedrooms = 1.085; and 4 bedrooms = 1.225.

California Department of Housing and Community Development - HCD: The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Common Interest Development: Any residential condominium, community apartment house, or stock cooperative.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots

Element: A division or chapter of the General Plan.

Emergency Shelter: Facilities for the temporary shelter and feeding of indigents or disaster victims, operated by a public or non-profit agency.

Emergency Shelter Grants (ESG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Local jurisdictions may adopt definitions for first-time homebuyer programs which differ from the federal definition if the program is non-federally funded.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area located on a lot of 5,000 square feet in area has a floor area ratio of 2:1).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Guest House: A detached structure of 400 square feet or less, accessory to a single-family dwelling, accommodating living/sleeping quarters, but without kitchen or cooking facilities.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Growth Management: Techniques used by a government to regulate the rate, amount, location and type of development.

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under state housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and Upper (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Senior Congregate Care Housing Facilities: Senior congregate care housing facilities are multi-family residential projects reserved for senior citizens, where each dwelling unit has individual living, sleeping, and bath facilities, but where common facilities are typically provided for meals and recreation.

Senior Unit: A second unit intended for the sole occupancy of one or two adult persons who are 60 years of age or over, and the floor space area of the unit does not exceed 640 square feet.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Southern California Association of Governments (SCAG): The Southern California Association of Governments is a regional planning agency which encompasses six counties: Imperial, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. SCAG is responsible for preparation of the Regional Housing Needs Assessment (RHNA).

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the elderly, handicapped, large families, female-headed households, farmworkers and the homeless. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and for which the cost of rehabilitation is considered economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

APPENDIX B: TECHNICAL BACKGROUND REPORT

CITY OF WEST HOLLYWOOD

2000-2005 HOUSING ELEMENT

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TECHNICAL REPORT

INTRODUCTION

This Housing Element Technical Background Report provides the detailed technical information used in developing the Element's policies and programs for the 2000-2005 planning period. Providing the technical information in a separate report allows the City to focus the Element itself on housing strategies and solutions. This Technical Background Report consists of two sections:

- Housing Needs Assessment (Section I), which describes and analyzes West Hollywood's population, household, and housing characteristics and trends; and

- Housing Constraints (Section II), which assesses the market, governmental, and other constraints to the development and affordability of housing.

The Technical Background Report is based largely on the *City of West Hollywood Housing Study* prepared by the University of Southern California (USC) in 1998. This study contains extensive information from the 1990 Census, supplemented with information from various other sources. Although dated, the 1990 Census remains the most comprehensive and widely accepted source of information on demographic characteristics until the release of data from the 2000 Census. However, several sources of information are used in the Technical Report to supplement and provide reliable updates of the 1990 Census.

- Population and housing data is updated by the State Department of Finance (2000);

- Housing market information, such as home sales, rents and vacancies, is updated by City surveys and property tax assessor's files;

- Local and County public and non-profit agencies are consulted for information on special needs populations, the services available to them, and gaps in the system;

- Lending patterns for home purchase and home improvement loans are provided through the Home Mortgage Disclosure Act (HMDA) database; and

- Housing condition information is provided by the City through field surveys.

SECTION I: HOUSING NEEDS ASSESSMENT

West Hollywood's housing needs are determined by a wide range of demographic, social and economic characteristics of its residents and the characteristics of the housing available to them. The existing housing stock usually cannot meet all the needs of the residents in a community. This is because situations change and different housing is needed at different stages of life. Therefore, this Community Needs Assessment is structured to analyze important demographic, housing, and special need characteristics in the City to identify present and future housing need.

This section is organized into five parts:

- **Household Characteristics:** This section shows demographic and economic characteristics affecting housing need. Important demographic characteristics include population growth, race/ethnicity, age structure, and household type. Economic factors include jobs held by City residents and income earned by different households, with a focus on differences between areas in the City.

- **Housing Characteristics:** This section details market and household outcomes. *Market* outcomes address the supply and demand factors of housing and include changes in housing type, occupancy, and housing costs. *Household* outcomes address changes in the relative position of tenants in the housing market and include housing conditions, density, and affordability, with a special focus on spatial differences across West Hollywood.

- **Special Housing Needs:** This section describes the unique housing needs of special need groups, including elderly persons, disabled persons, persons receiving public assistance, the homeless, single mothers, large households, and persons living with HIV/AIDS.

- **Regional Housing Needs:** This section addresses West Hollywood's existing and future housing needs as determined by the Southern California Association of Governments (SCAG). Existing housing needs are defined in terms of the number of households overpaying for housing and/or living in overcrowded conditions. Future housing needs refer to West Hollywood's assigned share of the regional housing growth needs.

- **Assisted Housing At Risk of Conversion:** This section provides an inventory and analysis of multi-family rental units that may be at risk of conversion to non-low-income use due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions.

Taken together, this Housing Needs Assessment details existing household characteristics, housing conditions and housing needs in the City of West Hollywood. The second section of this

technical report analyzes various constraints and opportunities to meeting the identified housing needs.

SUMMARY OF HOUSING NEEDS

The following summarizes the major issues affecting housing need in West Hollywood:

- **Changing Demographics:** The demographic analyses uncovered several characteristics of West Hollywood residents that may affect housing needs. First, West Hollywood residents have become more diverse in race and ethnicity. This trend is due to increased levels of immigration during the 1980s and 1990s as well as a significant increase in the Hispanic population on the City's East Side. As a result, more than one in ten residents of West Hollywood are linguistically isolated.

  The second major demographic trend involves the composition of households. There has been a continuing trend towards households that do not fit the "traditional" definition of the family unit. Approximately 75% of the City's households are "non-family" households, which are typically older, predominantly single, and smaller than the regional average. This trend suggests a continued demand for smaller and more affordable rentals.

- **Improving Incomes:** West Hollywood has seen an improvement in economic conditions, marked by a lower unemployment rate and higher household incomes. Moreover, a larger share of employed residents holds managerial or professional jobs and correspondingly fewer labor and administrative/sales positions. This improvement in the overall economy and a shift from more "blue-collar" to "white collar" employment has resulted in higher incomes for most households.

  Currently, non-family households in West Hollywood (comprising 75% of households) are better off financially than similarly situated non-families in the region, because their median income is 10% higher than the County median. Family incomes have also improved, but they are still worse off financially than the region, because their median income is 15% below the County median. The Year 2000 Census will likely show even greater improvement in this area.

- **Aging Housing Stock:** Because West Hollywood is almost built out, the housing stock has changed little over the past decade. The one exception is housing age. Much like any tangible physical asset, the City's housing has aged over time. The median age of the housing stock in West Hollywood is approximately 40 years. Based upon industry standards for housing deterioration and useful life expectancies, rental housing older than 30 years often requires major rehabilitation and costly reinvestments to maintain the quality of buildings. A field survey conducted by Code Enforcement staff in 2000 identified 489

residential properties in West Hollywood with one or more violations of the City's Property Maintenance Code. The most common property maintenance violation was the lack of landscape, with over half of the properties in violation found to lack landscaping. The two most prevalent problems with the physical condition of structures were peeling paint/cracked stucco and deteriorated fence/wall.

- **Housing Costs:** Housing cost is a key indicator of the availability of housing. Current (1999-2000) sales data indicate the median sales prices for condominiums and single-family homes in the City are $186,705 and $445,000, respectively. While lower than those in other Westside cities, home sales prices in West Hollywood are still among the highest in Los Angeles County.

  The City's Rent Stabilization Ordinance has historically maintained rents at relatively affordable levels. However, with the passage of the Costa-Hawkins Act, rents can now be decontrolled upon unit vacancy. During 1999, new tenancies were created in approximately 12% of the City's rent-controlled units, with an overall average rent increase of 20% or $150. For one-bedroom units, the average rent was $726 in 1999, which increased to $875 for units that were vacated and reoccupied.

- **Housing Affordability:** According to the Southern California Association of Governments (SCAG), over 9,900 households overpaid for housing in West Hollywood in 1998, representing 44% of the total households. Nearly 80% of these overpaying households are renters. Because of the high housing rents and prices in West Hollywood, lower-income households can only afford rents at government-assisted developments, such as those developed by the West Hollywood Community Housing Corporation (WHCHC) and other non-profit housing providers. To afford rents at market-rate apartment complexes in the City, lower-income households require some form of subsidy, namely Section 8 vouchers.

  Theoretically, moderate-income households can afford smaller (one- to two-bedroom) condominium units in West Hollywood. However, the required down payment and/or closing costs are likely to present obstacles to home purchase for these households. Given current escalating rent levels, moderate-income households can afford some of the one-bedroom units and a limited number of two bedroom units available on the market.

West Hollywood -- Its Setting

Incorporated in 1984, the City of West Hollywood is located about eight miles northwest of the Los Angeles Civic Center. West Hollywood is bordered to the north by Hollywood Hills, to the east by Hollywood, to the south by the Fairfax District, and by Beverly Hills to the west.

Regional Setting: Like most cities in metropolitan areas, no individual city is an island. Changing demographic, housing, and employment patterns extend across city boundaries. West Hollywood is a particularly good example. Surrounded on all sides by highly urbanized communities, West Hollywood is affected by physical, economic, and demographic forces emanating from Los Angeles and in particular the westernmost portion. Thus, it is important to understand the City within its regional context.

In this regard, the Southern California Association of Governments recognizes two sub-regions that impact demographic, housing, economic, and transportation planning in West Hollywood. The "Westside" sub-region consists of Beverly Hills, Culver City, Santa Monica, and West Hollywood. Secondly, the City of Los Angeles is also recognized as a sub-region. Both sub-regions clearly influence conditions and planning decisions in West Hollywood because they surround the City. Therefore, this report will make frequent mention of West Hollywood within its regional context.

Local Setting: To analyze patterns and trends in West Hollywood, it is also useful to divide the City into smaller geographical sub-areas. The City consists of five census-defined tracts, as described below and exhibited in Map 1.

- **East Side (Tract 7001):** This tract has 10,500 residents and extends west from La Brea to Fairfax. Between Fairfax and Gardner is a medium-high density residential. East to La Brea are low-medium density residential and commercial uses.
- **Crescent Heights (7002):** The Crescent Heights district has 6,500 residents and extends from Fairfax west to Harper Avenue. The main land use is medium-high density residential, although commercial uses line its southern border.
- **Central (7003):** This tract has 6,000 residents and extends west from Harper Avenue to La Cienega. The primary land use is medium-high density residential, but there is a small low-medium density area south of Santa Monica Boulevard.
- **Northwest (7005):** This tract has 6,000 persons and extends west from La Cienega to the City limits and south to Santa Monica Boulevard. This tract has medium to high density residential areas on its eastern side, and low-medium density on its western side.
- **Melrose (7004):** The Melrose District extends southward from Santa Monica Boulevard. This tract contains low- to high-density residential as well as commercial, manufacturing and institutional uses. It has a population of 7,750 residents.

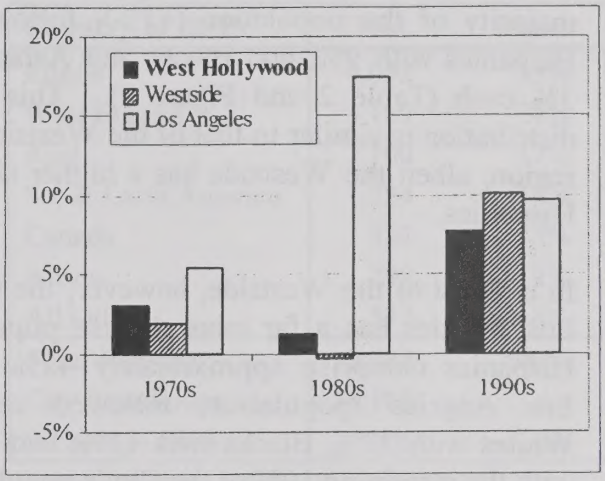
1. HOUSEHOLD CHARACTERISTICS

The household characteristics of a community have direct impact upon housing needs. Household characteristics such as race and ethnicity, population age structure, composition as well as income determine the type of housing needed, tenure, and ability to afford housing. This section briefly outlines the major characteristics of West Hollywood residents and households.

Population Growth

The greater Los Angeles region continues to rank among the fastest growing regions in California. In the City of Los Angeles alone, total population has grown by 36% between 1970 and 2000, with most of the growth occurring during the 1980s. In contrast, the population of the Westside sub-region increased by only 12% during the same time period, from approximately 190,900 in 1970 to 213,300 by 2000. This modest population growth is reflective of the highly urbanized character of the Westside, and scarcity of vacant land for development.

Figure 1
Population Growth
West Hollywood and the Region



West Hollywood's population has also remained relatively stable over the past several decades. The California Department of Finance estimates the City's population at 38,913 as of 2000, representing an increase of 12% since 1970, consistent with that for the sub-region. Because future residential development opportunities are rather limited, population growth can be expected to remain nominal.

Table 1
Population Trends Since 1970
West Hollywood and the Region

Jurisdiction	1970	1980	1990	2000*	1970-2000 %Change
Santa Monica	88,289	88,314	86,905	96,528	9%
Beverly Hills	33,416	32,367	31,971	35,096	5%
Culver City	34,541	38,139	38,793	42,776	24%
West Hollywood	34,662	35,703	36,118	38,913	12%
Westside Sub-region	190,908	194,523	193,787	213,313	12%
Los Angeles	2,811,801	2,966,850	3,485,398	3,822,955	36%

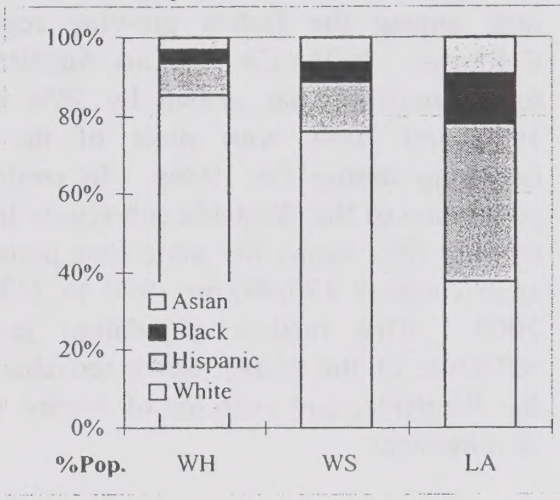
Source: 1970, 1980, 1990 U.S. Census
** State Department of Finance, January 2000*

Race and Ethnicity

Race and ethnicity of residents in a community can affect their housing needs and preferences. Different people may have different household characteristics, such as family structure or linguistic ability, which affects their ability to earn sufficient income to afford suitable housing. This section details the diversity of West Hollywood's residents and its impact on housing needs.

According to the 1990 Census, West Hollywood has a less diverse population with respect to race and ethnicity than the surrounding sub-regions. In West Hollywood, Whites comprise the majority of the population (85%), followed by Hispanics with 9%, and Blacks and Asians with 3% each (Table 2 and Figure 2). This ethnic distribution is similar to that of the Westside sub-region, albeit the Westside has a higher share of Hispanics.

Figure 2
Race and Ethnic Composition
West Hollywood and the Region (1990)



In contrast to the Westside, however, the City of Los Angeles has a far more diverse population. Hispanics comprise approximately 42% of the Los Angeles' population, followed next by Whites with 37%, Blacks with 11%, and Asians with the remaining 10% of the City's population.

Similar to past trends in the greater Los Angeles region, however, West Hollywood has become more diverse with respect to race and ethnicity (Table 2). Between 1980 and 1990, the Hispanic share of the City's population increased from 6% to 9%, while the Asian share grew from 2% to 3%. These trends are likely to continue into the future.

Table 2
Changes in Race and Ethnicity
City of West Hollywood (1980 and 1990)

	1980		1990	
Ethnicity	**Nos.**	**Pcnt.**	**Nos.**	**Pcnt.**
Hispanic	2,006	6%	3,153	9%
White	31,286	88%	30,596	85%
Black	1,270	4%	1,155	3%
Asian	740	2%	1,066	3%
Other	401	1%	148	0%
Total	35,703	100%	36,118	100%

Source: 1980, 1990 U.S. Census

Foreign-Born Population

Although West Hollywood's population is relatively homogenous with respect to race and ethnicity, a significant share of the population consists of households who are foreign born and recent immigrants. Currently, *one-third* of City residents are foreign-born, with representation from well over 85 other countries. As shown below, the City's high share of foreign-born population is an important factor affecting housing needs, especially with respect to linguistic isolation.

The adjacent Fairfax District in Los Angeles is home to a well-established East European community, resulting in a significant Russian immigrant population in West Hollywood. According to the 1990 Census, Russians make up one-third of the City's immigrant population and an estimated 15% of the total population in West Hollywood. Western Europeans are the next largest group, comprising 25% of immigrants. The majority of Western Europeans originated from Hungary, Poland, and other former Eastern-Bloc countries (Table 3). The third largest group is from Asia (17%), half of which are from the Middle East. Immigrants from South/Latin America, Mexico, and Central America comprise 14% of immigrants, while all other countries comprise under 10%.

Table 3
Place of Birth of Immigrants
City of West Hollywood (1990)

Country of Birth	Nos.	Share
Russia	4,052	33%
West Europe	3,189	26%
Asia	2,100	17%
So. & Latin America	1,724	14%
Canada	382	3%
Africa	298	2%
All Other	537	4%
Total Persons	12,282	100%
City Population	36,118	n/a
%Foreign Born	34%	n/a

Source: 1990 U.S. Census

Table 4
Languages Spoken At Home
City of West Hollywood (1990)

Language Spoken at Home	Persons	Share of Total
Russian	3,689	31%
Spanish	2,430	21%
French	853	7%
Other W.European	1,643	14%
Indo-European	1,003	9%
Other	1,011	9%
Yiddish	639	5%
Asian	422	4%
Total	11,690	100%

Source: 1990 U.S. Census

The large share of foreign-born population makes linguistic ability an important issue. Linguistic ability can determine whether or not persons secure adequate paying employment and thus afford suitable housing. In some cases, linguistic isolation can prevent immigrants from accessing needed social services, health care, and public assistance.

According to the 1990 Census, *one-third* of all persons age five years and over in West Hollywood speak a language other than English at home. As shown in Table 4, the most prevalent foreign languages are Russian (31%) and Spanish (21%).

Population Age Structure

Housing need in a community is largely determined by population age structure and the life cycle of households, because people require different types of housing at different stages in their life. For example, while younger single adults prefer smaller rentals, families often prefer larger homes for their children. However, as children leave home, seniors may begin to trade in their larger homes for smaller and more accessible homes.

In comparison to the region, West Hollywood's population has several distinctive characteristics. First, City residents are generally older than those in the surrounding region. As exhibited in Figure 3, the median age of West Hollywood residents is 38.1, noticeably higher than both the Westside sub-region (33.2) and the City of Los Angeles (30.7). Secondly, while the region's population has grown older over the past decade, the opposite is true of the Westside and West Hollywood. Lastly, the median age of West Hollywood residents has declined slower than the Westside. As a result, the City's population is younger than a decade ago, but older in comparison with the Westside. These trends are explained below.

Figure 3
Population Median Age
West Hollywood and the Region (1990)

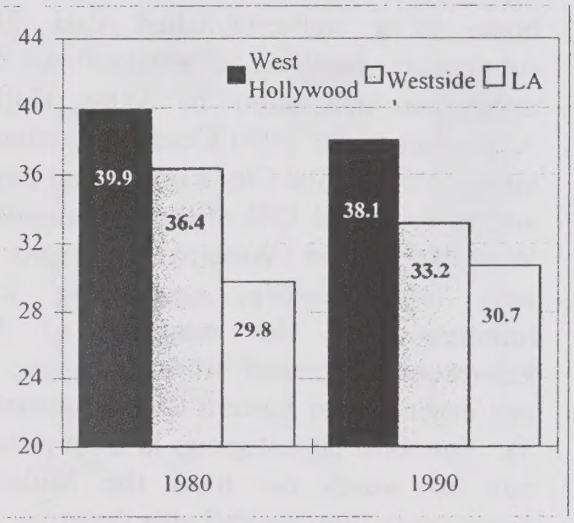
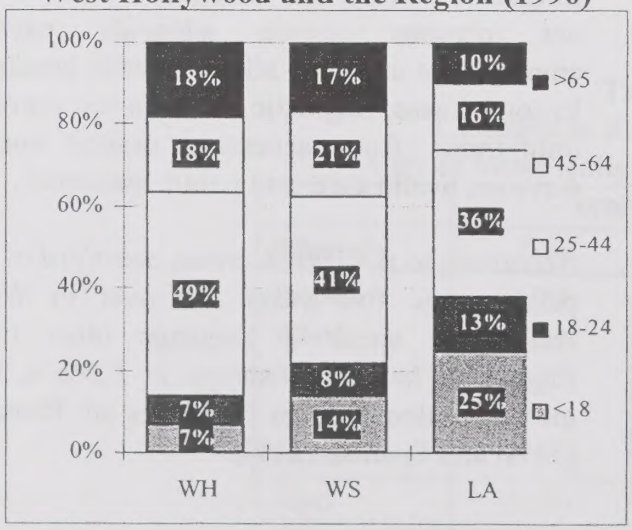


Figure 4
Population Age Distribution
West Hollywood and the Region (1990)



Reviewing the age distribution of West Hollywood residents shows why the median is higher than the surrounding region. First, the City has a very low (7%) share of children and a high share of seniors (18%) in comparison with the region (Figure 4). The fact that the majority of the City's population is between ages 25 and 44 results in a much older median age than the region. Meanwhile, the Westside sub-region has a similar age distribution to West Hollywood, except for having twice the share of children. Lastly, the City of Los Angeles has a completely different age distribution, with three times the share of children and half the share of seniors as does West Hollywood.

West Hollywood's decline in median age is due to three inter-related factors--a change in household composition, the "bright-lights" theory, and the aging of residents. In brief, families and seniors have gradually left the City and been replaced by younger single person households. This influx of single adults has been due to the "bright lights" of West Hollywood--namely its close proximity to employment, cultural, and entertainment outlets attractive to younger adults. As a result, the number households between age 25 and 44 has increased 11% over the past decade while persons over age 55 have declined from 34% to 27% of the City's population (Table 5).

Further analysis of changes in cohort membership suggests that the City's household composition will continue to change gradually in the future. First, the significant increase in young adult ages 25 to 34 over the 1980s has likely continued as young adults attracted to the "bright lights" of urban life move into West Hollywood. Secondly, there should continue to be an increase in adults between ages 30 and 50 due to the gradual aging of young adults who moved into the City during the 1980s. Lastly, cohort analysis suggests a gradual decline in residents over 50 as they near retirement and seek housing suited to their needs.

As a result, it is likely that West Hollywood has a significantly older population than the region in 2000, but slightly younger population on average as compared to 1990. This pattern suggests a continued demand for smaller and affordable rental housing units suited to single and younger households between ages 20 to 34, a stronger demand for affordable owned housing (perhaps condominiums) for longer term residents ages 30 to 50 who accumulated wealth over the past decade, and perhaps a slight decline in housing demand for seniors over age 65. While seniors may decline somewhat in numbers, they remain the largest segment of the City's population with unmet housing needs, primarily related to housing overpayment. Table 5 below summarizes changes in the population age structure of City residents.

Table 5
Changes in Population Age Structure
City of West Hollywood (1980-1990)

	Number		Share of Persons		Change	
Age	**1980**	**1990**	**1980**	**1990**	**Numeric**	**Share**
0-14	1,840	2,202	6%	6%	+362	0%
15-24	4,360	2,864	12%	8%	-1,496	-4%
25-34	9,379	10,364	26%	29%	+985	+3%
35-44	4,659	7,453	13%	21%	+2,794	+8%
45-54	3,488	3,540	10%	10%	+52	0%
55-64	3,928	3,088	11%	9%	-840	-2%
65-74	4,831	3,085	14%	9%	-1,746	-5%
75+	3,218	3,522	9%	9%	+304	0%
Total	35,703	36,118	100%	100%	100%	100%

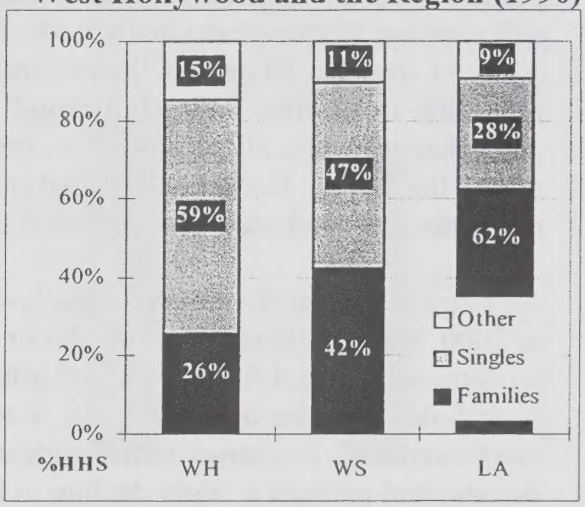
Source: 1980, 1990 U.S. Census

Household Type and Size

Household characteristics often affect housing preferences and housing need in a community. For instance, families may require larger housing due to children, the elderly may require improved accessibility due to mobility limitations, and younger households typically prefer smaller rentals due to their small household size and lower income.

The Census Bureau defines a household as all persons who share the same housing unit. Families are a subset of households and include persons related through blood, marriage or adoption. Single households refer to persons living alone, except for those in group quarters. Other non-family households consist of two or more unrelated individuals. In 1990, West Hollywood had 22,568 households, consisting primarily of singles (59%), followed by families (26%) and all other non-families (15%). This distribution is similar to households in the Westside, but opposite to Los Angeles (Figure 5). As of 2000, there are 22,857 households in West Hollywood, representing an increase of 1.3% since 1990.

Figure 5
Comparison of Household Types
West Hollywood and the Region (1990)



The City has seen dramatic changes in its household composition. Over the 1980s, the share of family households has fallen from 31% to 26% and been replaced by non-family households. For instance, one-person households have increased to 59% of all households, while all other non-family households have increased to a 15% share. Both single and non-family households are also projected to continue to increase through the Year 2000 (Table 6).

Table 6
Change in Household Types
City of West Hollywood (1980-1990)

Type	Number of Households 1980	1990	2000	Percent of Households 1980	1990
Population	35,703	36,118	38,913	n/a	n/a
– In Group Qtrs	251	414	414	n/a	n/a
Families	6,948	5,818	n/a	31%	26%
Singles	12,409	13,375	n/a	56%	59%
Other Households	2,795	3,375	n/a	13%	15%
Total Households	22,152	22,568	22,857	100%	100%
Household Size	1.60	1.58	1.68	n/a	n/a

Sources: 1980, 1990 U.S. Census; State Department of Finance, January 2000

As illustrated earlier, West Hollywood has a household type and composition unlike the surrounding region in that many do not fit the traditional definition of the family unit. The City's households are generally made up of non-families, which are predominantly single, older, and smaller in size than Los Angeles County or the Westside. In fact, 75% of the City's households are non-families, primarily singles (Table 7). As a result, the City's average household size of 1.7 persons is the smallest in Los Angeles County in 2000 and significantly lower than the Countywide average of 3.1 persons.

The large number of non-family households in West Hollywood is unique throughout the County. According to the Census, this category typically includes unrelated persons living together, such as roommates, unmarried partners, and other housing arrangements between unrelated persons. The large share of non-family households residing in West Hollywood is impacted by the significant size of the City's gay and lesbian community. According to the Census Bureau, domestic partnerships among gays and lesbians are not included under the "family" category, thus resulting in a higher share of non-traditional or "non-family households."

Although the majority of households in the City are non-families and generally smaller in size than the regional average, they appear to fit reasonably well with the City's housing stock. As discussed later, the "typical" home in West Hollywood is small, averages three rooms, and consists of one- or two-bedroom units with a kitchen, bathroom and living room. Therefore, the City's relatively smaller-sized households appear to fit well with the majority of the housing stock.

Table 7
Household Characteristics
City of West Hollywood (1980-1990)

	Nos. of HHS		% of Households		Change	
Household Type	**1980**	**1990**	**1980**	**1990**	**Nos.**	**Share**
Families W/Child	1,511	1,704	7%	8%	+193	+1%
Families N/Child	5,437	4,114	24%	18%	-1,323	-6%
Non-family Single	12,409	13,375	56%	59%	+966	+3%
Non-family Other	2,795	3,375	13%	15%	+580	+2%
Householder Age						
<34	8,040	7,615	36%	34%	-425	-2%
35-64	8,562	10,172	39%	45%	+1,610	+6%
65+	5,550	4,781	25%	21%	-769	-4%
Household Size						
1 (Single)	12,409	13,375	56%	59%	+966	+3%
2 Persons	7,373	6,714	33%	30%	-659	-3%
3-4	2,117	2,155	10%	10%	+38	0%
5+	253	324	1%	1%	+71	0%

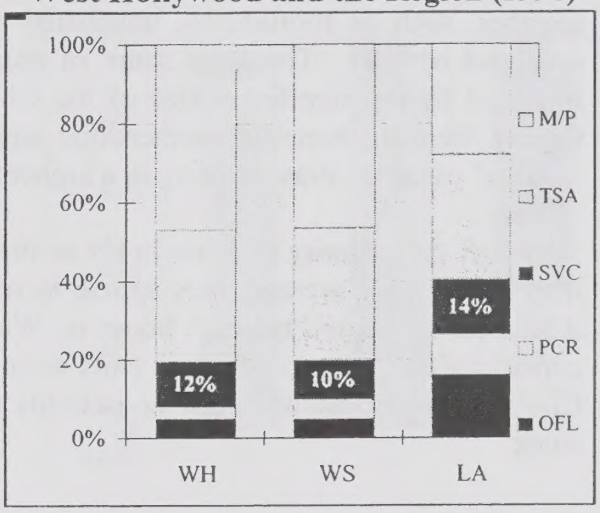
Source: 1980, 1990 U.S. Census

Employment Profile

Employment characteristics also affect housing needs of residents within West Hollywood. Different occupations often translate into different wages levels -- therefore affecting one's ability to afford certain types of housing.

According to the State Economic Development Department (1999), West Hollywood has a labor force estimated at 24,360, an increase of 3% since 1990. The City's unemployment rate decreased from 7% in 1990 to 5.6% in 1999, reflecting the recent recovery of the regional economy. The City's unemployment rate is slightly below that of Los Angeles County as a whole (5.9%), but higher than rates in Beverly Hills (3%), Culver City (3.3%) and Santa Monica (3.8%). Although their unemployment rate differs, West Hollywood and other Westside residents hold similar types of jobs. As shown in Figure 6, 80% of jobs held by residents are professional/managerial or technical, sales, and administrative in nature.

Figure 6
Share of Jobs Held by Residents
West Hollywood and the Region (1990)



Like the entire Los Angeles region, West Hollywood's labor force has become more "white- collar" over the past decade (Table 8). As an increasing number of "blue-collar" jobs (such as production, repair, and labor positions) have left the Los Angeles region, they have declined from a 14% to 8% share of jobs held by City residents. Meanwhile, white-collar jobs have increased from a 35% to 47% share, while service occupations have declined from 40% to 33%.

Table 8
Changes in Jobs Held By City Residents
West Hollywood and the Region (1980-1990)

		Nos. of Jobs		Share of Jobs		
Code	**Occupation Definition**	**1980**	**1990**	**1980**	**1990**	**Change**
M/P	Managerial & Professional	7,325	10,169	35%	47%	+12%
TSA	Technical, Sales & Admin.	8,292	7,198	40%	33%	-7%
SVC	Service Occupations	2,345	2,584	11%	12%	+1%
PCR	Production, Craft and Repair	1,435	654	7%	3%	-4%
OFL	Operator, Fabricator, Laborer	1,461	1,031	7%	5%	-2%
	All Other Occupations	109	114	<1%	<1%	<1%
	Total Jobs	20,967	21,750	100%	100%	100%

Source: 1980, 1990 U.S. Census

Household Income

West Hollywood is committed to ensuring that all residents, regardless of economic status, have access to adequate and affordable housing opportunities. The two primary factors affecting access to housing are household income and the availability and affordability of housing. This section documents changes in the economic status of the residents of West Hollywood. Later sections of this needs assessment will address the availability and affordability of housing.

To measure the economic status of households in any given community, the State government references a standard -- typically the median household income for the County. According to the 1990 Census, the City's median household income is $29,314 (Table 9) -- which is 16% below the median ($34,965) for Los Angeles County and the Westside ($35,036). Furthermore, the City's poverty rate (9.3%) is lower than the region as a whole (11.9%), but higher than the Westside (7.7%). However, these measures provide only the most general snapshot of the economic status of households within a community.

Table 9
Comparison of Income
West Hollywood and the Region (1990)

Med. Income	City	County	Westside
Household	$29,314	$34,965	$35,036
Family	$33,657	$39,035	$50,290
Non-family	$26,976	$24,961	$27,541
% of County			
Household	85%	100%	100%
Family	85%	100%	129%
Non-family	108%	100%	110%
% Poverty	9.3%	11.9%	7.7%

Source: 1990 U.S. Census

Although household income is oftentimes used to measure the financial status of a community, it is a very limited measure because it fails to account for differences among communities. The comparison implicitly assumes that each community has the same composition of households. This is not the case with West Hollywood. The City has a significantly higher share of younger, retired, and one-person households than Los Angeles County and the Westside, which could partially account for differences in median income between the City and County.

Because West Hollywood has a different composition of households than the surrounding region and because household income varies by household age and type, it is important to compare only *similarly-situated* households. Based on this new comparison, the City's median *non-family* household income of $27,000 is 7.5% higher than the County median and approximately equals the median non-family income for Westside (Table 9). Secondly, the City's median *family* income is only 85% of the County, and significantly below the Westside sub-region as a whole.

This analysis suggests several important points. First, West Hollywood's non-family households earn less income than families in the City, but are still relatively better off than most non-family households in the region; their income is 15% higher than the regional median. And secondly, although West Hollywood's family households earn more than non-families in the City, they are still relatively worse off financially than family households living in the surrounding region. Therefore, the remainder of this section will focus on differences in income by household type.

Income Distribution

While aggregate measures of household income provide a useful comparison of economic status, the distribution of income is also important. To show this distribution, the Department of Housing and Community Development uses four groups: very low (below 50% of the County median), low (51% to 80%), moderate (81% to 120%), and upper (above 120%). For purposes here, the upper income category has been split into two categories -- from 120% to 200% (upper) and over 200% (high) of the County median, because it is more useful for planning purposes.

- ***Family Income***: Family households in West Hollywood are generally *poorer* than those in the surrounding region (Table 10). The City has a larger share of lower income families (46%) than the Westside (29%) and the County (40%). This is due to the large number of poorer households living on the City's East Side. In contrast, the Westside sub-region is by far the wealthiest area, with nearly one-third of families earning very high income. Third, Los Angeles County has a similar family income distribution to the City, except for a larger share of upper income families and a smaller share of very low income families.

- ***Non-family Income***: Although West Hollywood's non-family households earn significantly less income than family households, the City's non-family households fare much better in comparison to *similarly-situated* households in the region. This finding is significant given that 75% of the City's households are non-family. Moreover, the City's non-family households have approximately the same income distribution as the Westside. Meanwhile, the County has by far the poorest non-families, with the largest share of lower income non-family households (41%) and the smallest share of upper-high income non-families (42%).

Income Differences by Neighborhood

Table 10
Income Distribution by Family Type
West Hollywood and the Region (1990)

Income Category		Family Income			Non-family Income		
%Region Median		WH	WS	LAC	WH	WS	LAC
High	over 200%	*16%*	*32%*	*17%*	*23%*	*25%*	*19%*
Upper	121 - 200%	19%	24%	24%	23%	25%	23%
Moderate	81 - 120%	19%	17%	19%	18%	17%	17%
Lower	Below 80%	*46%*	*29%*	*40%*	*36%*	*33%*	*41%*
Low	51 - 80%	18%	13%	17%	14%	12%	14%
Very Low	0 - 50%	*28%*	*16%*	*23%*	*22%*	*21%*	*27%*

Source: 1990 U.S. Census (Distribution is Interpolated)

In analyzing the economic status of households in a community, it is important to identify neighborhoods where low income households are disproportionately concentrated. This section discusses the economic status of the City's five neighborhoods. As summarized below in Table 11, the City's neighborhoods fall into three categories according to their economic status.

- ***Low***: The East Side neighborhood is the poorest section of West Hollywood. The median household income of $21,501 is only 60% of the County median, 61% of the households earn "lower income," and the household poverty rate of 12.6% is the highest. This neighborhood is poorer, because residents hold the highest share of labor and service jobs (30%), hold the lowest share of managerial and professional jobs, and have the highest unemployment rate.

- ***High***: The Central and Northwest tracts are the wealthiest in West Hollywood. The median family income of $48,000 is 120% of the County median, the median non-family income of $32,000 is 128% of the County median, and the household poverty rate of 8% is the lowest. These tracts are wealthy, because over half the employed residents hold well-paid managerial or professional jobs while only 15% hold labor and service related employment.

- ***Middle***: The Crescent Heights and Melrose tracts fall between the other two. Households earn more than those in the East Side but less than the Central and Northwest tracts. Additionally, the household poverty rate of 9% is higher than the Central and Northwest tracts, but lower than the East Side. Lastly, the distribution of jobs held by residents falls between the other three tracts.

Table 11
Comparison of Income Levels by Tract
City of West Hollywood (1990)

HHS Income Category	East	CrHght	Central	Melrose	NWest	Total
Household	$21,501	$28,506	$34,886	$29,421	$34,678	$29,314
Family	$27,479	$32,143	$47,297	$31,923	$48,077	$33,657
Non-family	$18,071	$27,029	$32,017	$28,227	$31,718	$26,976
% County HHS median	61%	82%	100%	84%	99%	84%
% County Family med.	70%	82%	121%	82%	123%	86%
% County NFamily med.	75%	108%	128%	113%	127%	108%
HHS Poverty Rate	12.6	7.8	7.3	10.3	8.0	9.3
Managerial/Profess.	32%	46%	52%	46%	55%	47%
Technical/ Admin	38%	32%	33%	33%	27%	33%
Service Occupations	13%	14%	8%	10%	12%	12%
Labor Occupations	17%	8%	7%	5%	6%	9%

Source: 1990 U.S. Census

Income Changes Over the Decade

An important question affecting housing policy is whether West Hollywood residents have improved their economic standing over time. Unfortunately, this comparison is not possible, because the Census does not show whether changes in household income are due to the influx/exit of residents or changes in current residents. Nonetheless, the Census does show in aggregate how the median economic status of West Hollywood residents has changed over time.

As shown in Figure 7, household incomes have increased faster (113%) than the region (98%). The median income for all households has risen from $13,742 to $29,314. Even by type, the City's family income has risen faster (101%) than the County (85%) over the decade, from $16,722 to $33,657. Lastly, the City's non-family income has risen at the same rate (109%) as the County, from $12,910 to $26,976 during the decade.

This improvement has been due to employment changes, whereby the share of managerial and professional jobs held by residents has increased from 35% to 47%, while the share of labor intensive jobs has declined from 14% to 8%. These economic trends are expected to gradually continue in the near future.

Figure 7
% Change in Income 1980-1990
West Hollywood versus County

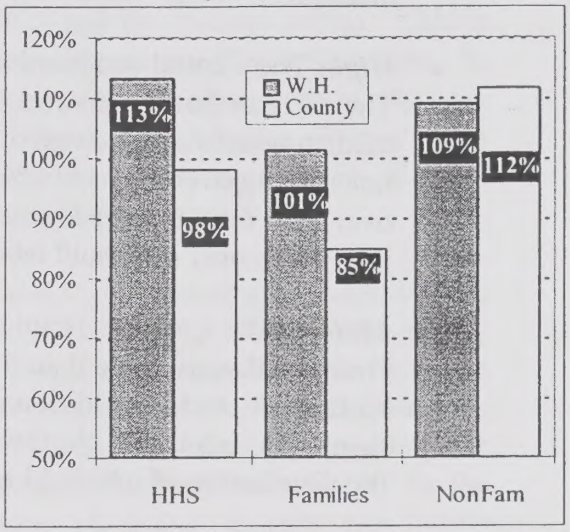


Table 12
Changes in Family Income
West Hollywood (1980-1990)

	Families		% County	
Tract	**1980**	**1990**	**1980**	**1990**
East End	$12,245	$27,479	58	70
CrHght	$14,863	$32,143	70	82
Central	$22,689	$47,297	107	121
Melrose	$18,399	$31,923	87	82
NWest	$22,272	$48,077	105	123
Total	$16,722	$33,657	79	86
County	$21,125	$39,035	100	100

Source: 1980, 1990 U.S. Census

Because the City's median family income is much lower than the regional median, Table 12 specifically looks at changes across West Hollywood. The median family income in four of the City's five neighborhoods improved faster than the surrounding region, with nominal income rising from about 75% to 125% over the past decade versus an average of 85% for the County. Despite these increases, only the Central and Northwest tracts exceed the County median income by 25%. Meanwhile, families in the other three tracts earn 18% to 30% lower than the County median. No equivalent data over the same time period is available for non-family households.

2. HOUSING CHARACTERISTICS

This section details changes in housing conditions affecting market and household outcomes. *Market* outcomes address the supply and demand factors of housing and typically include changes in the City's housing composition, occupancy (tenure and vacancy), and housing costs. *Household* outcomes address the relative position of tenants and homeowners in the housing market and include housing conditions, density/overcrowding, and affordability.

Housing Type and Size

When West Hollywood incorporated in 1984, the City inherited a housing stock largely shaped by its proximity to regional employment and entertainment centers in addition to previous planning efforts by the County of Los Angeles. High demand for scarce land has resulted in a very dense and compact urban environment consisting largely of multi-family apartments and condominiums. As shown in Figure 8, West Hollywood has a very high share of multi-family units followed by the Westside and Los Angeles. Similarly, West Hollywood also has the lowest share of single family units than either the Westside or Los Angeles. The predominance of multi-family units has certain size and tenure characteristics shown later.

Figure 8
Composition of Housing Type
West Hollywood and the Region (2000)

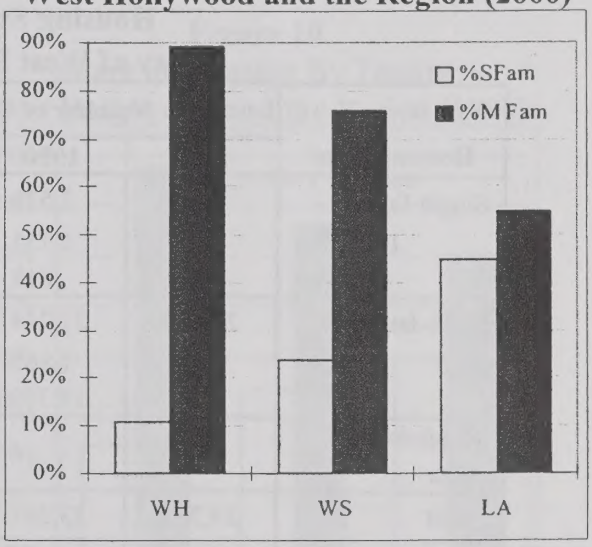
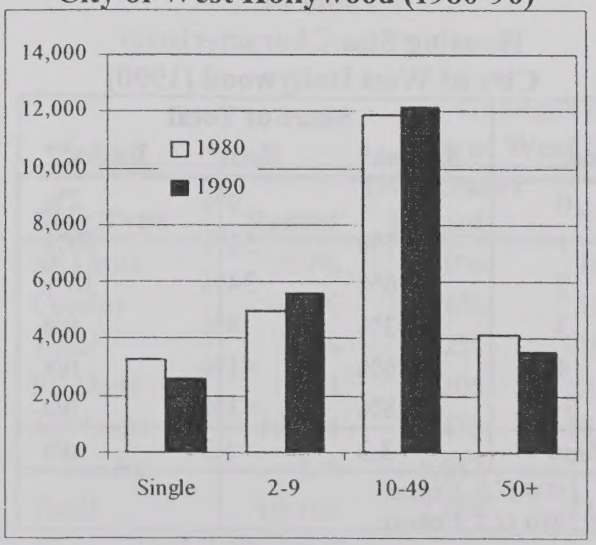


Figure 9
Changes in Housing Units by Type
City of West Hollywood (1980-90)



Because West Hollywood is almost built-out, the housing stock has changed little over the past two decades. Total housing units declined by a modest 2% during the 1980s, but increased by 1% during the 1990s. As of January 2000, there were 24,125 housing units in the City. Moreover, the shares of housing by unit type have also remained stable since 1980. The housing stock still consists primarily of larger multi-family structures with more than 10 units, followed by smaller multi-family buildings with less than 10 units, and single-family homes. Because the City is nearly built out, the housing composition will likely remain stable, although redevelopment plans for the East Side may result in the replacement of dilapidated units and construction of a modest number of new units.

Over the 1980s, two major changes occurred with respect to the housing stock in West Hollywood. As shown in Table 13, single family homes declined from 13% to 10% of the total housing stock. Given only modest levels of new construction activity during the same period, the decline in single family homes was mainly due to irregularities in the Census enumeration before the City's incorporation. Meanwhile, the number of condominium units increased from 2,127 to 4,453 units and the number of large apartment units decreased correspondingly due to condominium conversion permits approved by Los Angeles County prior to the West Hollywood's incorporation. After the 1990 Census, 473 more conversions were completed, raising the share of condominiums to 19% of the housing stock.

Table 13
Housing Stock Characteristics
City of West Hollywood (1980-2000)

Housing Type	Number of Units			Share of Units (%)		
	1980	1990	2000	1980	1990	2000
Single-family	3,278	2,571	2,562	13%	10%	10%
Detached		1,753	1,746		7%	7%
Attached		818	816		3%	3%
Multi-family	20,988	21,244	21,577	86%	89%	90%
2 to 4		1,865	1,865		8%	8%
5 plus		19,379	19,692		81%	82%
Mobilehomes/ Other	23	6	6	0%	0%	0%
Total	24,299	23,281	24,125	100%	100%	100%
Condos	2,127	4,453	n/a	9%	19%	n/a

Sources: 1980, 1990 Census; State Department of Finance, 2000

Housing Size: Due to the predominance of multi-family units in West Hollywood, the average home is smaller than those found in more suburban communities. As shown in Table 14, the "typical" housing unit averages 3.3 rooms, 1.3 bedrooms and one bathroom.

However, even though the average home is generally small, it still fits reasonably well with the City's households, of which almost 90% consist of two or fewer persons. As shown later, this match between household size and housing unit size results in one of the lowest overcrowding rates in the County.

Table 14
Housing Size Characteristics
City of West Hollywood (1990)

Nos.	Share of Total		
	Rooms*	Bedr*	Baths**
0	--	9%	2%
1	7%	52%	80%
2	16%	34%	18%
3	33%	4%	n/a
4	26%	<1%	n/a
5+	18%	<1%	n/a
Mean	3.3	1.3	n/a

* *1990 U.S. Census*
** *1980 U.S. Census*

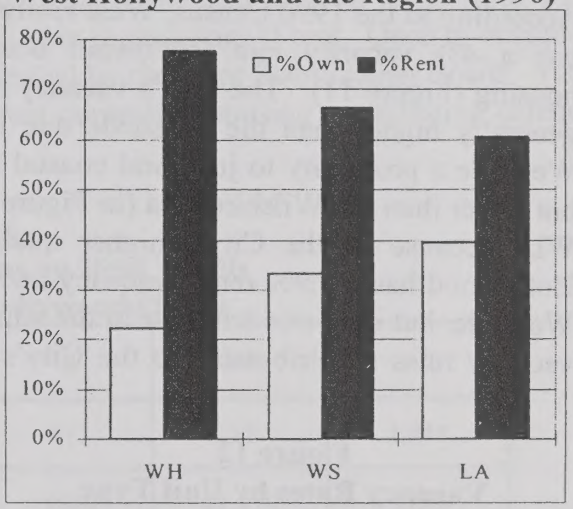
Housing Occupancy

Housing occupancy simply refers to whether the unit is owned, rented, or vacant. Occupancy is an important issue because it reflects the relative income of residents, the cost and affordability of housing, as well as the interaction of market forces of supply and demand of housing. This section addresses housing occupancy characteristics of West Hollywood residents.

Tenure: Housing tenure refers to whether inhabitants of a unit own or rent the housing unit. Tenure is generally considered an indicator of community well-being, because it is a reflection of the "American Dream" of homeownership. Moreover, tenure is usually the result of the interaction of household income and housing costs.

Figure 10 compares housing tenure in West Hollywood with that of the surrounding region. According to the 1990 Census, West Hollywood has one of the highest renter-owner ratios in the County, with a renter-owner ratio of 78% to 22%. In contrast, the Westside sub-region consists of 33% homeowners versus 67% renters, while Los Angeles has a 60-40% renter-to-homeowner mix.

Figure 10
Share of Housing By Tenure
West Hollywood and the Region (1990)



Despite the highest renter-owner ratio in the region, West Hollywood has seen significant changes in tenure over the decade (Table 15). The homeownership rate has nearly doubled from 12% to 22% during the 1980s due to an increase in home ownership (40% to 49%), while condominium ownership has risen from 76% to 79%. These trends are due to

Table 15
Changes in Housing Tenure
City of West Hollywood (1980-1990)

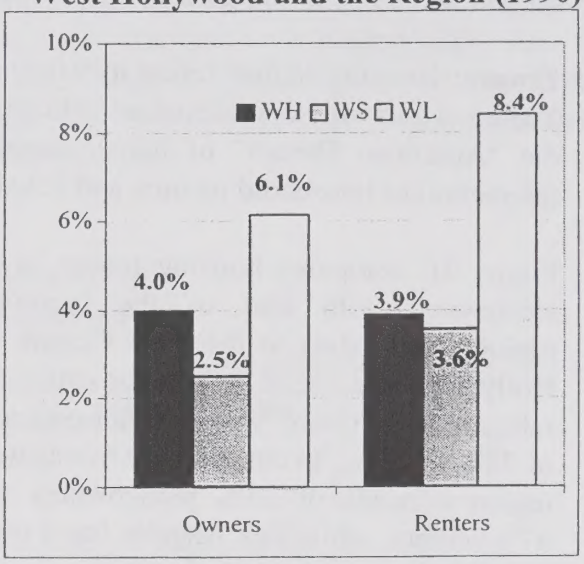
	1980 Census			1990 Census			Change in
Bldg Type	**Rented**	**Owned**	**Total**	**Rented**	**Owned**	**Total**	**Ownership**
SF Units	60%	40%	100%	51%	49%	100%	+9%
Condos	24%	76%	100%	21%	79%	100%	+3%
Total	88%	12%	100%	78%	22%	100%	+10%
SF Units	1,844	1,206	3,050	1,184	1,157	2,341	n/a
MF Units	17,624	1,478	19,102	16,355	3,872	20,227	n/a
-- Condos	326	1,052	1,378	894	3,268	4,162	n/a
Total	19,468	2,684	22,152	17,539	5,029	22,568	n/a

Source: 1980, 1990 U.S. Census

condominium conversion permits issued by the County prior to the City's incorporation and enforcement of condominium conversion restrictions.

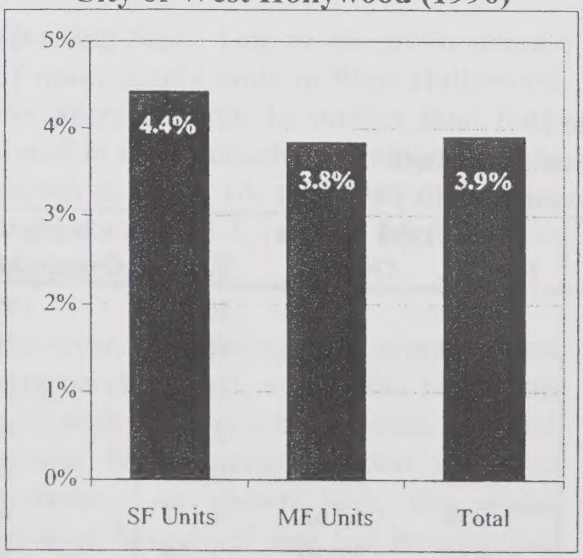
Vacancy: Vacancies, another aspect of housing occupancy, indicate the demand and availability of housing. In an unregulated market, low vacancy rates are indicative of a housing shortage, which usually restricts residential mobility, increases housing costs, and leads to overcrowding. On the other hand, high vacancies often lead to rent deflation and greater housing affordability, but may erode property values, lower profits for rentals, and discourage maintenance and repair.

Figure 11
Vacancy Rates by Tenure
West Hollywood and the Region (1990)



According to the 1990 Census, West Hollywood has a 4% vacancy rate for owner occupied housing (Figure 11). The City's vacancy rate is generally higher than the Westside due to the Westside's proximity to jobs and coastal areas, but lower than the Wilshire area (in Figure 13 as WL) because of the City's higher quality of life. According to the 1990 Census, West Hollywood has a 3.9% rental vacancy rate -- which is similar to the 3.6% rental vacancy rate in Westside, but only one-half that in the adjacent Wilshire and Hollywood area. The difference in vacancy rates is attributable to the City's rent control regulations, which generally holds rents below market value, encourages residents to stay longer, and therefore keeps the vacancy rate lower than in surrounding communities. While current reliable data on rental vacancies is unavailable, limited new construction of rental units, combined with high demand for rentals has likely resulted in further tightening of the rental market in West Hollywood.

Figure 12
Vacancy Rates by Unit Type
City of West Hollywood (1990)



SCAG's Regional Housing Needs Assessment states that an optimal vacancy rate is 2% for owner-occupied housing and 5-6% for rental units. In an unregulated market, this level of vacancy is assumed to ensure sufficient residential mobility and housing choice while providing adequate financial incentive for landlords or owners to maintain and repair their homes. As shown in Figure 12, the City's estimated vacancy rate for single-family units (4.4%) is higher than optimal due to the high cost of housing and the

higher demand for small rentals. Meanwhile, the City's vacancy rate for multi-family units (3.8%) is below SCAG's standard. This is due to the City's rent control ordinance and proximity to job centers, which offers high quality of life for below market housing costs.

Housing Costs

West Hollywood is committed to ensuring that all residents, regardless of economic status, have access to adequate and affordable housing opportunities. Two key factors affecting access to housing are household income and housing cost. Building upon previous sections which documented household income, this section addresses housing costs in West Hollywood.

Rental Market: In 1995 the State passed the Costa-Hawkins Rental Housing Act that enforces gradual Statewide de-control of rent controlled housing as vacancy occurs. Full implementation of the Costa-Hawkins Act began in 1999. The City prepared a study on the effects of Costa-Hawkins and Section 8 limits on housing affordability in 2000. According to this study, 1,841 rental units were vacated and re-occupied in 1999, with an overall increase of 20% or $150 between average pre-vacancy rent and average new (after re-occupancy) rent. Once re-occupied, rents are re-controlled, with annual rent increases limited by the Rent Stabilization Board. Table 16 summarizes the increase in rents on the City's rent controlled housing stock during calendar year 1999.

Table 16
Effects of Costa-Hawkins on Rent Levels
City of West Hollywood (1999)

Number of Bedrooms	0	1	2	3+	All
Number of new tenancies (units)	328	1,010	471	32	1,841
Average pre-vacancy rent ($)	$651	$726	$989	$1,270	$735
Average new rent ($)	$725	$875	$1,222	$1,679	$885
Median new rent ($)	$700	$825	$1,185	$1,350	$835
Increase in average rent ($)	$74	$149	$233	$409	$150
Increase in rent (%)	11.5%	20.5%	23.5%	32.2%	20.3%

Source: Department of Rent Stabilization and Housing, City of West Hollywood, 2000.

Of the 1,841 rental units which changed tenancy, nearly three-quarters (1,338) are studios and one-bedroom units, reflecting the prevalence of these units in West Hollywood. The increase in average rent ranges from $74 for studios to over $400 for units with three or more bedrooms.

Table 17
Rent Levels
City of West Hollywood (2000)

Number of Bedrooms	0	1	2	3+	All	Units listed
Week of August 17 Rent ($) range	$595 - $1,200	$895 - $1,700	$899 - $2,995	$2,650 - $4,500	$595 - $4,500	51
Week of August 22 Rent ($) range	$595 - $1,200	$895 - $1,700	$899 - $2,995	$2,650 - $4,500	$595 - $4,500	51
Week of September 7 Rent ($) range	$750 - $1,250	$775 - $1,700	$1,500 - $2,400	$4,500	$750 - $4,500	38

Source: Department of Rent Stabilization and Housing, City of West Hollywood, 2000.

The City's Department of Rent Stabilization and Housing publishes weekly residential referral lists of available rental units. As presented in Table 17, in early September 2000, the asking rent varied from $750 to $1,250 for a studio and from $775 to $1,700 for a one-bedroom unit. The majority of the units listed for rent during the three weeks are studios or one-bedroom units.

Owner Market: The Southern California region is known across the nation for its extremely high housing values. According to the California Association of Realtors, the median home sales price, including both existing and new units, in West Hollywood was $375,000 in the first quarter of 2000. This price is significantly higher than that in Culver City ($250,000), but well below median prices in Beverly Hills ($782,500) and Santa Monica ($485,000). The Countywide median sales price during this period is $187,000.

Detailed home sales data for West Hollywood for the July 1999 to June 2000 period are provided by unit type and size in Table 18. The median sales prices for condominiums and single-family homes sold during this period were $186,705 and $445,000, respectively. While lower than those in other Westside cities, sales prices in West Hollywood are still among the highest in Los Angeles County. The sales volume of condominiums was over three times greater than that for single-family homes, reflecting the predominance of multi-family units in the City. Nearly all (97%) of the 336 condominiums sold contain one to two bedrooms, likely reflecting the availability and/or popularity of smaller condominium units. The median sales price was $141,500 for a one-bedroom unit and $225,500 for a two-bedroom unit. A total of 106 single-family homes were sold during the period, with the vast majority of them having two to three bedrooms. The median sales price was $390,000 for a two-bedroom home and $502,500 for a three-bedroom dwelling.

Table 18
For-Sale Housing Prices
City of West Hollywood (2000)

Type by Bedrooms	Homes Sold	Average	Median	Range
Single-Family Homes				
1	3	$333,000	$319,000	$300,000 - $380,000
2	46	$487,815	$390,000	$189,000 - $2,165,000
3	42	$591,083	$502,500	$220,000 - $2,165,000
4	10	$690,850	$637,500	$350,000 - $1,350,000
5+	5	$859,600	$599,000	$535,000 - $1,975,000
Total	106	$561,042	$445,000	$189,000 - $1,975,000
Condominiums				
1	143	$167,216	$141,500	$79,000 - $600,000
2	182	$249,615	$225,500	$111,000 - $643,000
3	11	$321,045	$350,000	$180,000 - $429,000
Total	336	$216,885	$186,705	$79,000 - $643,000

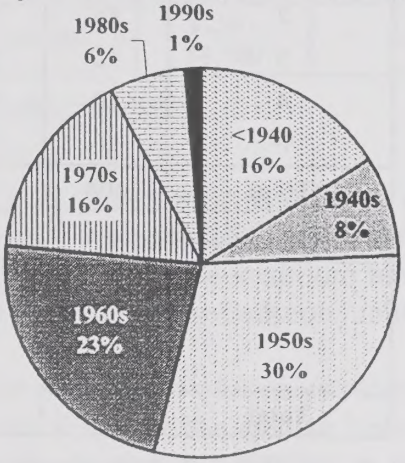
Source: Dataquick, 2000 – Figures reflect sales of homes in adjacent cities within the same zip code

Housing sales price varies geographically in West Hollywood. The median price of a condominium unit was $191,000 on the West Side of the City (zip code 90069), comparing to $162,500 on the East Side (zip code 90046). For single-family homes, the median price was $627,500 on the West Side and $405,000 on the East Side. While these differences in sales prices indicate a continuation of the West Side as the more affluent part of the City, it also illustrates a significant rise in prices on the East Side and narrowing of the gap between the East and West sides.

Housing Age and Condition

The condition of housing is an important indicator of needs within a community. Like any tangible asset, housing deteriorates over time. If not checked, declining housing conditions can depress property values, discourage reinvestment, and lower the community's quality of life. This section specifically addresses the age and condition of the City's housing stock.

Figure 13
Year Structure Built
City of West Hollywood (2000)



Housing Age: Figure 13 and Table 19 details the age of West Hollywood's housing stock. Several points are particularly noteworthy. First, West Hollywood's housing stock is aging; the median age of housing is 30 as of the 1990 Census and is likely to be 40 years in 2000, considering that the stock only grew by 1% in the 1990s. Figure 13 shows the age distribution of housing. Approximately one-quarter of the City's housing was constructed before the 1950s, 30% during the 1950s, and 23% during the 1960s. This means that the vast majority (80%) of the City's housing are over 30 years old in 2000. As shown later, the very large share of older housing has important implications with respect to housing condition and maintenance.

Housing age also varies significantly by location in West Hollywood. According to the 1990 Census, the median age of housing ranges from a high of 36 years in the Crescent Heights district to a low of 25 years in the Melrose District (Table 19). More importantly, the share of housing older than 30 years ranges from 37% in the Northwest tract to 75% in the Crescent Heights tract. This has important implications with respect to housing condition and maintenance.

Table 19
Housing Age by Tract
City of West Hollywood (1990)

			Decade of Construction					
Tract	**Units**	**Median**	**<1940**	**1940s**	**1950s**	**1960s**	**1970s**	**1980s**
East Side	5,855	1957	15%	9%	40%	26%	4%	6%
Cr. Heights	4,407	1954	21%	12%	42%	14%	5%	5%
Central	4,108	1963	10%	9%	25%	21%	29%	5%
Melrose	3,610	1957	28%	8%	19%	22%	19%	4%
Northwest	5,841	1965	11%	5%	21%	28%	25%	9%
Total	23,821	1959	3,865	2,009	7,143	5,469	3,817	1,518
Share	n/a	n/a	**16%**	**8%**	**30%**	**23%**	**16%**	**7%**

Source: 1990 U.S. Census

In September 2000, City Code enforcement staff conducted a field survey to identify residential properties in violation of the City's Property Maintenance Code. A total of 489 properties Citywide were observed to have one or more violations. Most of these properties consist of residential structures with multi-dwelling units, indicating that the count of units with code violations is actually higher. Unlike many communities where inadequate property maintenance tends to be concentrated in certain neighborhoods, the survey evidenced deferred maintenance dispersed through out the City, as illustrated in Map 2.

Table 20
Property Maintenance Violations
City of West Hollywood (2000)

Property Maintenance Violation	Number of Properties[1]	% of Properties in Violation
Lack of landscape	251	51%
Overgrown/dead vegetation on property	180	37%
Peeling paint/cracked stucco	90	18%
Cracked pavement	56	11%
Deteriorated fence/wall	52	11%
Broken/missing screens	46	9%
Accumulation of trash on property	41	8%
Unpainted buildings	25	5%
Broken/missing window/door	13	3%
Improper parking/storage of old cars	15	3%

Source: Field Survey, Code Enforcement, Rent Stabilization Department, 2000

1) Note – Of the 489 properties with code violations, many had violations in more than category.

As indicated in Table 20, the most common property maintenance violation was the lack of landscape, with about half of the properties in violation found to lack adequate landscaping. In terms of the physical condition of structures, peeling paint/cracked stucco and deteriorated fence/wall were the more prevalent problem conditions. Ninety residential properties exhibited peeling paint/cracked stucco, while 52 properties suffered from deteriorated fences and/or walls.

In addition to the field survey, information on reported cases of Property Maintenance Code violations between November 1999 and October 2000 was also examined. A total of 358 reported cases of violations were recorded, of which over one-third (38%) exhibited interior maintenance problems such as structural or plumbing deficiencies. The geographic distribution of the reported cases of violations is very similar to that based on data collected through the field survey.

CITY OF WEST HOLLYWOOD

Map 2: Observed Code Violations

Housing Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in West Hollywood with the maximum amount that households of different income levels can pay. The threshold for affordability is that a household cannot spend more than 30% of its income for housing costs. Taken together, this data can provide an illustration of who can afford certain types of housing as well as who would be at-risk of overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys for metropolitan areas, including Los Angeles County. These surveys are adjusted for differences among types and sizes of families. HUD then uses these household income levels to determine the maximum amount that a household could pay for housing (using the 30% guideline), and the household's eligibility for federal housing assistance.

Table 21 on the following page shows the annual income for very low, low, and moderate-income households by the size of family and the maximum affordable housing payment based on the federal standard of 30% of household income. Standard housing costs for utilities, taxes, and property insurance are also provided. From these income and housing cost information, the maximum affordable rents and home prices are determined.

Affordability by Household Income

Table 21 also displays the maximum amount that a household can pay for housing without exceeding the 30% income-housing cost threshold for overpayment. These maximum payments can be compared to current rent levels and home sales prices to determine what types of housing opportunities a household can afford.

Very low-income households. Very low-income households earn 50% or less of the County median family income, which in 2000 ranges from $18,250 for a one-person household to $23,450 for a three-person household. Given the general high costs of housing in West Hollywood, housing options available to very low-income households are limited to units in rental developments by WHCHC and other non-profit organizations. In addition, these households are most likely to require some form of rental assistance (such as Section 8) as well to afford rent payments.

Low-income households. Low-income households earn between 51% and 80% of the County's median family income, varying from $29,200 for a one-person household to $37,500 for a three-person household. Rental housing affordable to low-income households includes studios and one-bedroom units in apartment complexes subject to rent control.

Moderate-income households. Moderate-income households earn 81% to 120% of the County median family income, ranging from $43,750 for a one-person household to $56,250 for a three-person household. Theoretically, there are smaller condominium units (one- to two-bedroom) in West Hollywood affordable to moderate-income households. However, the required downpayment and/or closing costs are likely to present obstacles to home purchase for moderate-

income households. Given current rent levels, moderate-income households can afford some of the one-bedroom units and a limited number of the two-bedroom units available on the market.

Table 21
Housing Affordability Matrix
Los Angeles County (2000)

Income Threshold by Family Size	Income Levels		Housing Costs		Maximum Affordable Price	
	Annual Income	Monthly Income	Utilities	Taxes & Insurance	Home	Rental
Very Low						
1 Person	$18,250	$1,521	$50	$200	$31,232	$406
2 Persons	$20,850	$1,738	$75	$200	$37,289	$446
3 Persons	$23,450	$1,954	$100	$200	$43,346	$486
Low						
1 Person	$29,200	$2,433	$50	$200	$72,685	$680
2 Persons	$33,350	$2,779	$75	$200	$84,609	$759
3 Persons	$37,500	$3,125	$100	$200	$96,534	$838
Moderate						
1 Person	$43,750	$3,645	$50	$200	$127,766	$1,044
2 Persons	$50,000	$4,167	$75	$200	$147,640	$1,175
3 Persons	$56,250	$4,688	$100	$200	$167,515	$1,538

***It should be noted that the above are the maximum amount that could be paid by households in the top of the respective category.**

Notations:

1. Monthly affordable rent based upon payments of no more than 30% of household income
2. Property Taxes and Insurance based on averages for the region.
3. Affordable home price is based on down payment of 10%, annual interest rate of 8.0%, 30-year mortgage, and monthly payment of 30% of gross household income.

3. SPECIAL NEEDS HOUSEHOLDS

State housing law recognizes that certain households have more difficulty in finding decent and affordable housing due to special circumstances including, but not limited to the following: economic status, age and disability, household size and type, and various other conditions. Special needs groups in West Hollywood include the elderly, disabled persons, persons living with HIV/AIDS, public assistance recipients, homeless persons, single mothers, and large families. Table 22 summarizes the numbers of households or persons in each of these special needs groups in the City.

Table 22
Special Needs Populations
City of West Hollywood

Special Needs Group	Nos.	Share
Elderly Households (age 65 or over)	4,781	21%
Persons Living With a Disability	5,100	*15%
Persons Living With HIV/AIDS	3,760	10%
Persons Receiving Public Assistance	6,340	16%
Homeless Persons	156	<1%
Female Headed Family W/Children	389	1.7%
Large Households (5+ members)	324	1.4%

Source: 1990 U.S. Census and CHAS
1994 City Community Needs Assessment
2000 Los Angeles County Department of Public Social Services

* % of persons 16 years and older.

Seniors: Generally, seniors have special housing needs due to their fixed income, higher health costs, and physical limitations. Because of these limitations, elderly persons are less able to afford major home repairs or large rent increases. Moreover, the physical limitations of seniors, coupled with the cost of retrofits or home care, make it more difficult to afford housing. According to the 1990 Census, 18% of West Hollywood's population or 6,607 persons are over 65 years old. One-fifth (4,781) of all households are headed by an elderly person. Of these senior households, 76% are renters and 56% overpay for housing.

There are slightly over 600 publicly assisted housing units for seniors in West Hollywood, including 45 units provided through the West Hollywood Community Housing Corporation (WHCHC), 366 units in three developments operated by the Los Angeles County Housing Authority, and 208 units by local non-profit organizations. In addition, there is a board and care facility for seniors locating in the City (Raya's Paradise at 825 Larrabee Street) that offers 9 beds for seniors.

The City operates the West Hollywood Senior Center, which serves as a meeting place for local seniors and offers a variety of services, including lunches, recreation activities and translation services. In addition, to meet the transportation needs of seniors, the City offers free rides on local bus lines and discounted bus passes for longer journeys. As evidence to the City's commitment to meeting supportive services needs of its senior population, the City has allocated $776,000 in fiscal year 2000-2001 to fund a variety of senior services, including counseling, roommate matching, placement in congregate living, congregate meals, and adult day health care. Table 23 presents the major agencies or organizations currently offering housing and/or supportive services to senior residents in West Hollywood.

Table 23
Providers of Senior Housing and/or Services
City of West Hollywood and Nearby Area (2000)

Agency/Provider	Services/Facilities Offered
West Hollywood Community Housing Corp. 8535 Sunset Boulevard, #3 West Hollywood, CA 90069 (323) 650-8771	Housing for lower income families, seniors, and persons living with disabilities including AIDS. Waiting list is up to two years.
Alternative Living for the Aging 937 N. Fairfax Avenue West Hollywood, CA 90069 (323) 650-7988	Referral services to assist seniors with finding roommates or shared housing; cooperative apartment communities for lower income senior citizens.
Senior Nutrition Sites in West Hollywood Plummer Park, 7377 Santa Monica Boulevard Kings Road, 800 N. Kings Road Fairfax Towers, 1222 N. Fairfax Avenue Palm Apartments, 959 N. Palm Avenue West Knoll Apartments, 838 N. West Knoll	Lunch meals for seniors are served at noon, Monday through Friday at the specified locations.
Menorah Housing 1223 Fuller Avenue, #OFC West Hollywood, CA 90046 (310) 477-4942	Housing for seniors with limited income and/or physical disability.
Partners Adult Day/Healthcare Center 7362 Santa Monica Boulevard West Hollywood, CA 90046 (323) 883-0330	An adult day health center for people living with AIDS, frail elderly and people with disabilities. Offers skilled medical care, stimulating activities, and therapy.
Bet Tzedek Legal Services 145 S. Fairfax Avenue, Suite 200 Los Angeles, CA 90036 (323) 939-0506	Free legal services to low- and moderate-income residents, and disabled and frail elderly in the areas of nursing home law, conservatorship, power of attorney and other health issues.
Jewish Family Services of Los Angeles Home Secure Program 330 N. Fairfax Avenue Los Angeles, CA 90036 (323) 937-5855	A variety of free home safety devices, including grab bars for the bathroom, childproofing devices for cabinets and drawers, bathtub mats, night lights, and entry door peepholes for the disabled, seniors, single-parent families and other low-income renters and home owners. Home Secure also installs locks and offers free water conservation devices.
Freda Mohr Multi-Purpose Center Jewish Family Services 330 N. Fairfax Avenue Los Angeles, CA 90036 (323) 937-5900	Information and referrals, in-home supportive services for homebound elderly, case management and counseling, transportation and escort services, congregate and home-delivered meals.

Source: Human Services Department, City of West Hollywood, 2000

Disabled Persons: Physical and mental disabilities can hinder access to traditionally designed housing units (and other facilities) as well as potentially limited the ability to earn income. Disabilities refer to mental, physical, or health conditions that last over six months. Disabled persons include persons with three types of disabilities: work, mobility, or self-care limitation. Work disability is a condition that restricts a person's choice of work and prevents him/her from

working full-time. Mobility limitation is a physical or mental condition that makes it difficult for a person to go outside of the home alone, while self-care limitation is a condition that makes it difficult for a persons to take care of his/her personal needs. The 1990 Census documents 5,100 disabled persons age 16 years and older, representing 15% of the City's population age 16 and above. About half of these disabled residents (2,545) in West Hollywood were seniors (65 years or older).

Persons Living With HIV/AIDS: Persons living with HIV or AIDS have special housing needs due to their unique health conditions. The health needs of this population are numerous and the costs of pharmaceuticals, health care, and assisted living they often require are high. The exorbitant medical costs associated with HIV/AIDS can easily consume one's entire financial resources, even those necessary for basic housing. According to the Community Needs Assessment conducted in 1998, approximately one in ten households in West Hollywood has a person who is living with AIDS or HIV. Recognizing their tremendous need for affordable housing, the WHCHC currently offers 62 units to persons living with HIV/AIDS, including Palm View, a 40-unit apartment complex completed in partnership with The Actor's Fund, and the 22-unit Harper Community Apartments. Major providers of housing and/or supportive services to persons with HIV/AIDS are listed in Table 24.

Table 24
Major Providers of Housing and/or Services to Persons with HIV/AIDS
City of West Hollywood and Nearby Area (2000)

Agency/Provider	Services/Facilities Offered
West Hollywood Community Housing Corp. 8535 Sunset Boulevard, #3 West Hollywood, CA 90069 (323) 650-8771	Housing for lower income families, seniors, and persons living with disabilities including AIDS. Waiting list is up to two years.
Aid for AIDS 8235 Santa Monica Boulevard, Suite 200 West Hollywood, CA 90046 (323) 656-1107	Finance counseling and short-term financial assistance for rent, utilities, and medications to persons with AIDS.
Being Alive 621 N. San Vicente Boulevard West Hollywood, CA 90069 (323) 289-2551	Peer counseling, roommate referrals, peer education materials, monthly newsletter.
Gay and Lesbian Adolescent Social Services 650 N. Robertson Boulevard, Suite A West Hollywood, CA 90069 (323) 358-8727	AIDS and risk-reduction education to high-risk youth, foster care for children, and residential group home care for teens.
Homestead Hospice and Shelter P.O. Box 931179 Los Angeles, CA 90093 (213) 251-8467	Homelike residential care facilities with 24-hour medical care in Santa Monica, Silverlake, San Pedro, and central Los Angeles.
Los Angeles Gay & Lesbian Center 1625 Schrader Boulevard Los Angeles, CA 900287	Counseling and support groups for persons who are HIV-positive, people with AIDS and their significant others.

Source: Human Services Department, City of West Hollywood, 2000

Persons on Public Assistance: Persons receiving welfare assistance are considered to be in need of special housing assistance. With the passage of the 1996 Welfare Reform Act, many welfare recipients were required to move from welfare to work within a prescribed period. Thus, welfare recipients have become one of the most pressing special needs groups. As of May 2000, 6,340 West Hollywood residents received public aid through the Los Angeles County Department of Public Social Services (DPSS), representing an increase of 57% since 1996. Of these public aid recipients, 64% (4,041) were over the age of 65, with nearly all of these seniors receiving Medi-Cal or In-Home Support Services.

Homeless Persons: Homelessness continues to be one of the most visible reminders of the pressing needs facing families and individuals in marginal economic, housing, and health conditions. This population consists of a wide range of persons and families suffering from domestic violence, mental illness, substance abuse, joblessness among a number of other conditions. The 1990 Census documented 156 homeless persons in West Hollywood, of which 142 were visible in street locations and 14 were staying in emergency shelters. The City's Human Services Department supports a Homeless Outreach Team, which conducts street outreach and refers homeless persons to area shelters/service providers. According to the Outreach Team (2000), there are approximately 40 homeless persons in the City on any given day, with most of them being mentally ill individuals.

The Foundation House is currently the only homeless shelter in West Hollywood. This facility is operated by P.A.T.H. or People Assisting the Homeless, a non-profit organization, and offers 63 beds for adult homeless persons. Of these 63 beds, 42 are for shorter-term stay (four months) and 21 for longer-term stay (six months). The Foundation House will soon be relocated to Hollywood to a larger multi-service center to provide a broader continuum of care for the homeless. The City will continue its funding support to the Foundation House to help meet the needs of its homeless population.

To assist in meeting the special housing needs of the homeless, the City's Human Services Department provides shelter referrals to various facilities, including: the Foundation House; the Gay and Lesbian Center's shelter program (for persons 24 year or younger); various youth shelter programs in Hollywood; the Van Ness Recovery House (a residential drug and alcohol treatment program); and other residential treatment programs in the County. Most of these facilities also offer a variety of services, which include street outreach, counseling, case management, medical and dental care, substance abuse services, food, and job training and placement.

Female Headed Families with Children: According to the 1990 Census, West Hollywood is home to 389 female-headed families with children or 2% of all households. Despite their small number, their financial need is very clear. Their household poverty rate of 27% is about three times the Citywide average. Single mothers have special difficulties becoming more self sufficient due to lack of affordable child care, health care, and work requirements for public assistance. Based on DPSS records (2000), 103 single mothers received CalWORKs assistance, accounting for 35% of all CalWORKs recipients in West Hollywood.

Large Households: Large households (those with five or more members) have special needs due primarily to the limited availability of adequately sized affordable housing. Because of the shortage of affordable larger housing, lower-income large households are forced to live in smaller housing units, often resulting in overcrowding and accelerated physical deterioration of the unit. Therefore, large households are often considered to be in need of special housing assistance. According to the 1990 Census, West Hollywood is home to 324 large households, representing 1.4% of the City's households. Of these, 269 are renters and 45 are owners. While limited in numbers, large households have significant housing needs. Of the 324 large households in West Hollywood, 60% are lower-income households, 40% overpay for housing, and well over 90% live in overcrowded conditions.

City Services: The City of West Hollywood is committed to meeting the housing and supportive services needs of vulnerable members of the community. The City funds much of its housing related services through contract service providers. For fiscal year 2000-2001, the City earmarked $2.8 million in assistance to provide services for special housing needs groups. Table 25 is a partial list of services provided.

Table 25
City Funding of Housing Related Services for Special Needs Groups (2000-01)

Special Needs Population	Inventory of Social Services	FY2000-01 Funding
HIV/AIDS	Financial assistance for rent, utilities, pharmaceuticals, food, home healthcare, dental care, insurance and benefits, advocacy, job training, HIV prevention	$863,000
Elderly	Counseling, roommate matching, placement in congregate living, congregate meals, home delivered meals, adult day health care, respite care for caregivers	$776,000
Homeless	Emergency shelter for the homeless population plus transitional housing, counseling, 12-step program, job training and assistance, referrals, street outreach	$435,000
FH Families General Poor Large Family	Preschool, child care, job training and placement, medical services for the poor	$479,000
Disabled	Counseling and case management for general disabilities, mental health care, recovery services for substance abuse	$245,000
Total		**$2,798,000**

Source: Human Services Department, City of West Hollywood, 2000

In addition to the aforementioned services, the City also provides other more direct forms of housing assistance for very low- and low-income households. The WHCHC owns eight housing projects providing approximately 156 assisted units for lower-income households, persons living with disabilities, the elderly, and persons with HIV/AIDS. An additional 10 units for seniors and 10 units for families are in the process of development on Detroit Street. Moreover, West Hollywood is home to three County-managed public housing projects that offer a total of 366 units for seniors.

4. REGIONAL HOUSING NEEDS

State law requires all regional councils of government, including the Southern California Association of Governments (SCAG), to determine the existing and projected housing need for its region. SCAG is also required to determine the share of need allocated to each city and county within the region. These existing and future housing needs are published by SCAG in the Regional Housing Needs Assessment (RHNA).

Existing Housing Needs

A key measure of quality of life in a community is the extent of "housing problems." Housing problems include overcrowding, overpayment for housing, and living in substandard housing conditions. The federal Department of Housing and Urban Development (HUD) and SCAG have developed an existing need statement that details the number of households that are paying too much for housing and/or living in overcrowded conditions. Overcrowding occurs when a housing unit has more than one person per room, excluding kitchens, bathrooms, hallways, and porches. Overpayment is when a household pays more than 30% of its gross income for housing, including costs for utilities, property insurance, and real estate taxes.

The 1993 HUD Comprehensive Housing Affordability Strategy database documents 10,649 West Hollywood households with housing problems, representing 47% of the City's total households. Table 26 details the extent of housing problem by tenure. As shown, 48% of all renters have some type of housing problem (overcrowding, overpayment, and/or living in substandard housing). Specifically, 44% of renters overpay for housing and 6% live in overcrowded conditions.

Table 26
Housing Problems by Tenure
City of West Hollywood (1990)

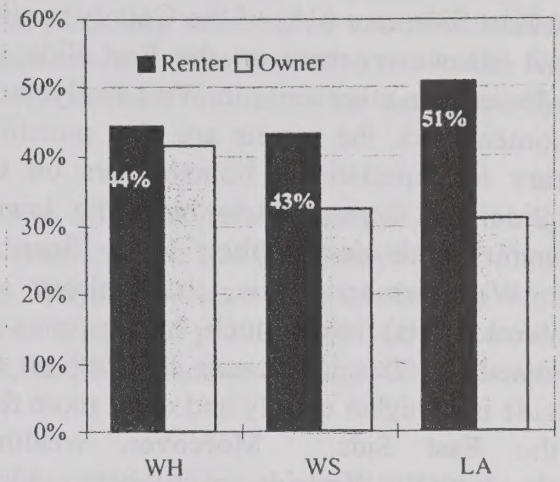
Condition	Renters		Owners		Total	
	Number	% of Renter Households	Number	% of Owner Households	Number	% of All Households
Overpayment	7,708	44%	2,106	43%	9,814	44%
Overcrowding	1,044	6%	55	1%	1,099	5%
Housing Problems	8,514	48%	2,135	43%	10,649	47%

Source: CHAS Database, 1993

Overpayment

The Federal Government has set specific standards for determining housing affordability based upon an income-to-housing cost ratio. Households paying over 30% of their income for gross housing costs are considered to be overpaying for housing. Gross housing costs include either mortgage or rental payments as well as property insurance, taxes, and utilities. According to the 1990 Census, 44% of West Hollywood's renter households overpay for housing versus 43% for the Westside and 51% in Los Angeles (Figure 14). West Hollywood also has the highest share of overpayment for owners (43%) compared to 31% in the Westside and Los Angeles. However, since fewer than one-quarter of the City's households are owners, the number of overpaying households is small.

Figure 14
Housing Overpayment by Tenure
West Hollywood and the Region (1990)



Overpayment by Tenure and Location

Table 27
Housing Overpayment by Tract
City of West Hollywood (1990)

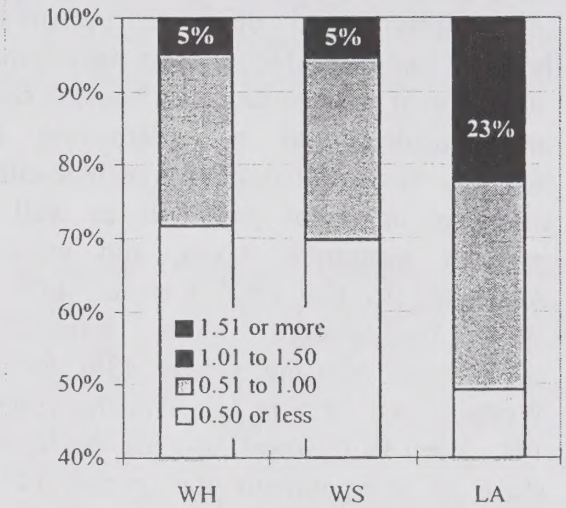
Tract	Households		HHS Overpaying		% Overpaying	
	Renter	Owner	Renter	Owner	Renter	Owner
East	4,986	254	2,363	85	47%	33%
CrHght	3,590	56	1,656	30	46%	54%
Central	2,589	34	1,175	12	45%	35%
Melrose	2,417	454	1,044	182	43%	40%
NWest	3,191	379	1,432	169	45%	45%

Source: 1990 U.S. Census
Totals differ from above due to sampling differences
Owner totals exclude condominiums, mobile homes, duplexes, etc.

Housing overpayment varies significantly by tenure and location in West Hollywood (Table 27). According to the 1990 Census, 44% of the City's renters overpay for housing. This finding is expected since renters earn significantly less income and have much less financial reserves than homeowners. In contrast, homeowners appear to fall into two categories -- wealthy or not. A large share of homeowners (45%) appear wealthy, because they pay under 20% of their income for housing. On the other hand, an equally large share (41%) of homeowners is overpaying for housing. It is also notable that approximately one in five households are severely overpaying, (over 50% of their income) for housing.

The share of renters overpaying for housing ranges from 43% to 47% across the City (Table 28). This uniformity is unexpected since renters on the East Side earn 61% of the County median income. However, rents on the East Side are much lower than other areas in West Hollywood. For homeowners, the results are also puzzling. Contrary to expectations, homeowners on the East Side and Central tracts have the lowest overpayment rate despite their lower financial status. Wealthier areas (i.e., the Melrose and Northwest tracts) have much higher rates of overpayment. This is because housing on the Westside is of higher quality and costs more than on the East Side. Moreover, wealthier households on the Westside are still better able to afford housing, despite overpayment, because they have a larger absolute amount of disposable income.

Figure 15
Overcrowding Rates
West Hollywood and the Region (1990)



Overcrowding

Although societal standards change over time and differ from place to place, the idea has emerged that adequate living space is critical to obtaining a satisfactory level of housing service. This has led to standards of measuring housing space, such as housing density and overcrowding. Occupancy density is also important due to the link with the rate of housing deterioration.

Housing density is defined in terms of the number of persons per room. However, crowding is defined by a standard. Overcrowding begins with more than 1 person per room, while moderate overcrowding occurs with over 1.5 persons per room. Based on this standard, neither West Hollywood nor the Westside has serious overcrowding (Figure 15). About 95% of the City's households have fewer than one person per room, while only 5% (1,100 households) are overcrowded. This very low overcrowding rate is largely due to the City's smaller household size, of which nearly 90% have two or fewer members. However, the East Side has a 10% overcrowding rate, a reflection of the generally lower incomes in this area and the need to overcrowd to save on housing costs. Still, the City's overcrowding rate is very low in comparison with Los Angeles, where nearly one-quarter of households are overcrowded.

Future Housing Needs

Future housing need refers to the share of the region's housing need that has been allocated to a community. Essentially, SCAG calculates future housing need based upon household growth forecasts provided by communities, plus a certain amount of units needed to account for normal and appropriate level of vacancies, and the replacement of units that are normally lost to conversion or demolition.

In allocating the region's future housing needs to different jurisdictions, SCAG is required to take into account various planning considerations under State law (Section 65584). They include the following: 1) market demand for housing; 2) type and tenure of housing; 3) employment opportunities; 4) commuting patterns; 5) suitable suites and public facilities; 6) loss of assisted multi-family housing; 7) special housing needs; and 8) reduction of impaction of lower-income households.

In 1999, SCAG developed its Regional Housing Needs Assessment (RHNA) based upon population, employment and household forecasts contained in the *Regional Transportation Plan* for the 1998 to 2005 period. These forecasts are the basis for determining housing demand. Once household growth is determined, SCAG then makes an adjustment to allow for vacant units needed in the market to ensure adequate mobility. A housing unit loss adjustment is also included to ensure adequate replacement of units lost through demolition.

SCAG then applies a "fair share" formula that is designed to determine the units to be affordable to State-mandated income levels—very low, low, moderate, and upper income. The fair share adjustment is also intended to ensure that no community has a disproportionate concentration of lower income households or housing units than another community.

According to SCAG, West Hollywood's share of regional housing needs is a total of 410 units over the 1998-2005 planning period. As indicated below in Table 28, the affordability levels of these units is as follows: 75 units for very low-income households, 107 for low-income households, 81 units for moderate-income households, and the remaining 147 units for upper-income households.

Table 28
1998-2005 Regional Housing Needs
City of West Hollywood

Income/Affordability Category (% of County MFI)	Housing Need (Number of Units)	% of Total Need
Very Low (0-50%)	75	18%
Low (51-80%)	107	26%
Moderate (81-120%)	81	20%
Upper (>120%)	147	36%
Total	410	100%

Source: Southern California Association of Governments, Regional Housing Needs Assessment (Final), 2000

The City is required to demonstrate the availability of adequate sites to accommodate the projected housing growth needs of 410 new units.

5. ASSISTED HOUSING AT RISK OF CONVERSION

A critical concern of housing elements is the preservation of multi-family rental units that are "at risk" of conversion to market-rate housing due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. The "at-risk" analysis presented below covers the period from July 1, 2000 to June 30, 2010.

This section identifies publicly assisted rental housing developments in West Hollywood, evaluates their potential of converting to non-low-income uses, and analyzes the cost to preserve or replace the at-risk units.

Assisted Housing Inventory: Table 29 provides an inventory of publicly assisted multi-family rental housing developments in West Hollywood. This inventory includes all multi-family rental units assisted under federal, State, or local programs, including HUD, State/local bond programs, density bonus, and local redevelopment or direct assistance programs. A total of 730 publicly assisted multi-family units are located in the City, including 156 units by WHCHC, 208 units by senior housing providers, and 366 County-managed public housing units.

Table 29
Publicly Assisted Multi-Unit Developments
City of West Hollywood

Project Name & Address	Tenant Type	Affordable Units	Owner	Public Assistance	Earliest Expiration of Affordability
Fairfax Towers 1222 Fairfax Ave	Senior	150 of 150	United Housing & Community Services Corporation	Section 8; Density Bonus	2002
1123 Fuller Ave	Senior	39 of 39	Menorah Housing	Section 202	2030
937 Fairfax Ave	Senior	19 of 19	Alternative Living for the Aging (ALA)	LIHTC; City Subsidy	Perpetuity
Fountain Avenue Apartments 7292 Fountain Ave	Family	28 of 28	WHCHC	LIHTC; City Subsidy; Density Bonus	Perpetuity
Detroit Bungalows 1123 N. Detroit St	Senior	8 of 8	WHCHC	AHTF; City Subsidy; Density Bonus	Perpetuity
Harper Avenue Apartments 1276 N. Harper Ave	Senior	17 of 17	WHCHC	LIHTC; City Subsidy; Density Bonus	Perpetuity
Harper Community Apartments 1260 N. Harper Ave	Persons w/ HIV /AIDS	22 of 22	WHCHC	City Subsidy; State Rental Housing Construction Program; Century Freeway Housing Program; Density Bonus	Perpetuity
Laurel/Norton Inter-Generational Community Apartments 1217 N. Laurel Ave	Family/ Senior	41 of 41	WHCHC	LIHTC; City Subsidy; Century Freeway Housing Program; Density Bonus	Perpetuity
The Palm View 980 Palm Ave	Persons w/ HIV /AIDS	40 of 40	WHCHC	The Actors' Fund; LIHTC; City Subsidy; Density Bonus	Perpetuity
800 Kings Rd	Senior	106 of 106	L.A. County	L.A. County Housing Authority	Perpetuity
959 Palm Ave	Senior	124 of 124	L.A. County	L.A. County Housing Authority	Perpetuity
838 West Knoll	Senior	136 of 136	L.A. County	L.A. County Housing Authority	Perpetuity

Source: Rent Stabilization and Housing Department, City of West Hollywood, 2000

In addition to the above assisted units, there are 53 units restricted for occupancy by lower and moderate-income households developed as a result of the City's Inclusionary Housing Ordinance. Under the Ordinance, these units are maintained at affordable rents for occupancy by low- and moderate-income households in perpetuity and therefore not at risk of conversion.

Loss of Assisted Housing: Of the 730 assisted units identified in Table 29, 150 senior units are determined to be at risk of conversion to market-rate uses in the 2000-2010 period. All 150 units are in Fairfax Towers, a HUD-subsidized project located at 1222 Fairfax Avenue and owned by United Housing and Community Services Corporation, a non-profit organization. The 20-year Section 8 contract for the property expires in 2002. However, in recent discussions, the property owner indicated plans to renew the Section 8 contract indefinitely. Nevertheless, this project technically remains at risk of conversion due to the uncertain long-term status of the Section 8 program.

Preservation and Replacement Options: Preservation or replacement of the 150 at-risk units can be achieved in several ways: 1) provision of rental assistance to tenants using non-federal funding sources; 2) purchase of affordability covenants; and 3) replacement or development of new assisted multi-family housing units. These options are described below, along with a general cost estimate for each.

Transfer of Ownership: Transferring ownership of an at-risk project to non-profit housing providers is generally one of the least costly way to ensure that the at-risk units remain affordable for the long term. By transferring property ownership to a non-profit organization, low-income restrictions can be secured indefinitely and the project would become available for a greater range of governmental assistance. Because Fairfax Towers is owned by a non-profit organization, a transfer of ownership to another non-profit organization is unlikely and may not be necessary to preserve the at-risk units. Nevertheless, for later comparison purposes, the estimated market value for the project at Fairfax Towers is evaluated in Table 30.

Table 30
Market Value of At-Risk Project

Project Information	Total
1-bedroom Units	150
Total Units	150
Annual Operating Cost	$360,000
Annual Gross Income	$1,440,450
Net Annual Income	$1,080,450
Estimated Market Value	$11,884,950

Market value for project is estimated with the following assumptions:

1. Average market rent for 1-bedroom unit is $825.
2. Average unit size for a 1-bedroom unit is 600 square feet.
3. Vacancy rate is 3%.
4. Annual operating expenses per square foot is $4.00.
5. Market value = Annual net project income x multiplication factor.
6. Multiplication factor for a building in moderate condition is 11.

Current market value for the 150 affordable units is estimated on the basis of the project's potential annual income, and operating and maintenance expenses. As indicated above, the current market value for the 150 at-risk units is estimated at approximately $11.9 million.

Rental Assistance: Currently, the availability of funding for Section 8 contract renewal is uncertain. All units in Fairfax Towers have associated Section 8 contracts to limit the tenants' contribution to rent at affordable levels. Should the Section 8 contracts be eliminated, rent subsidies using State, local or other funding sources can be used to maintain affordability. These rent subsidies can be structured to mirror the Section 8 program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30% of household income) and what HUD estimates to be the fair market rent on the unit.

The feasibility of this alternative is highly dependent on the availability of non-federal funding sources necessary to make rent subsidies available and the willingness of property owners to accept rental vouchers if they can be provided. As indicated below in Table 31, the total cost of subsidizing the rents for all 150 at-risk units is estimated at approximately $29,813 per month or $357,750 annually, translating to $7.2 million in subsidies over a 20-year period.

Table 31
Rent Subsidies Required

Unit Size	Total Units	Fair Market Rents	HHld Size	Median Household Income (1)	Affordable Cost + Utilities	Monthly Per Unit Subsidy	Total Monthly Subsidy
1-br	150	$605	1	$18,250	$456	$199	$29,813

1. 2000 Household Median Income limits for the Los Angeles County set by HUD
2. Affordable cost = 30% of household income minus utility allowance of $50 for the 1 resident plus $25/person for every additional member of the households.

Purchase of Affordability Covenants: Another option to preserve the affordability of the at-risk project is to provide an incentive package to the owner to maintain the project as affordable senior housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy received to market levels. The feasibility of this option depends on whether the complexes require rehabilitation or are too highly leveraged. By providing lump sum financial incentives or on-going subsidies in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

Construction of Replacement Units: The construction of new low-income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. number of bedrooms), location, land costs, and type of construction. According to WHCHC, the average construction cost for a rental residential unit is approximately $154,000, including land costs. Based on this estimate, it would cost approximately $23.1 million to replace the 150 assisted units should they convert to market rate. This amount is noticeably higher than 20 years worth of rent subsidies at a cost of $7.2 million. Another major constraint to the replacement of

the at-risk units is the limited availability of sites for multi-family development and the need to assemble parcels under fragmented ownership.

Cost Comparisons: Although unlikely, the transfer of ownership of Fairfax Towers to WHCHC or other non-profit housing providers is a means for preserving the at-risk units. However, the high costs of acquiring the property (over $11 million due to high market rents) may prevent such a transfer. While the annual costs of providing rental subsidies required to preserve the 150 assisted units are relatively low, long-term affordability of the units cannot be ensured. Other financial incentives may also be necessary to make the negotiation packages more attractive to property owners for them to accept rent subsidies. The total costs of new construction to replace at-risk units is much higher than the costs associated with the different preservation options presented above, and is compounded by the very limited supply of available land for new residential developments.

It should be noted that Fairfax Towers is at low risk of conversion due to the expressed desire by current owners to continue renewal of Section 8 contracts. The City's goal is to preserve the at-risk units. If the units were at imminent risk of conversion, the City would mostly likely provide locally funded rent subsidies to maintain affordability of the units. The City would also seek outside funding sources to supplement local funds.

SECTION II: HOUSING CONSTRAINTS

The City of West Hollywood's ability to ensure the provision of decent and affordable housing for its residents is affected by market conditions, governmental regulations, and environmental and other constraints. Taken together, these factors interact to constrain and encourage the development, improvement, and maintenance of adequate housing opportunities for all income levels. This section analyzes a range of constraints and opportunities in providing decent and affordable housing.

1. MARKET CONSTRAINTS

West Hollywood is impacted by various market constraints that affect the maintenance and improvement of the existing housing stock, the construction of affordable housing, and the preservation of affordable housing. The three market constraints facing property owners--land availability, construction costs, and financing--and their impact on the housing market are discussed below.

Land Availability

West Hollywood is one of the most densely developed cities in California. About 70% of the City's residential areas are zoned for high density, allowing for up to 50 housing units per acre. This density is much higher than surrounding cities. Moreover, West Hollywood is almost completely built out, with only a limited number of vacant sites still available for development.

The lack of vacant land in West Hollywood is likely a deterrent to housing investment. Because nearly all land in the City contains existing structures, developers must usually demolish the existing older structures and then replace them with new buildings, thereby raising the total cost of developing the property. This condition becomes less of a constraint if the developer can increase housing density on the lot and therefore earn more income per acre than before. In order to provide additional areas for residential development, the City's General Plan and Zoning Ordinance encourage mixed-use and residential infill development on major commercial corridors.

The diminishing supply of residential land combined with a fairly high demand has kept land cost relatively high in most of Southern California. In West Hollywood, vacant residential land is scarce. Based on recent appraisals, vacant multi-family residential land cost is $35 to $40 per square foot. Improved multi-family residential land costs between $200 and $220 per square foot. The cost of unimproved land is approximately $30 per square foot in the East Side Redevelopment Project Area, translating to $175,000 to $200,000 per lot. Recent sales of small, older single-family homes indicate potential "tear-down" prices of $225,000 to $275,000 per lot.

Construction Costs

Construction costs are typically uniform across cities and not a constraint to the development, improvement, and maintenance of housing. In some cases, however, local factors, environmental constraints, building and safety codes, exactions, or other similar factors) may raise construction costs and constrain housing investment.

According to the Construction Industry Research Board, the construction cost for a typical new, single-family dwelling has increased significantly in the past decade, averaging about $60 to $90 per square foot. The average cost for multi-family construction varies from $50 to $85 per square foot, with underground parking or other amenities increasing the cost of multi-family housing considerably.

Mortgage and Rehabilitation Financing

The availability of financing affects a household's ability to purchase or improve a home. Data collected through the Home Mortgage Disclosure Act (HMDA) indicate the availability of mortgage and home improvement financing to West Hollywood households. Under HMDA, lending institutions are required to disclose information on the disposition of loan applications, whether financed at market rate or through government assistance.

Table 32 summarizes the disposition of loan applications submitted to financial institutions for home purchase and home improvement loans in West Hollywood. Included is the percentage of loans that were originated, as well as loans denied by the lender. Loans originated refer to those approved by lenders and accepted by applicants. "Other" loans are applications that were approved but not accepted by the applicant, withdrawn by the applicant, or closed by the lender for incompleteness.

Home Purchase Loans. In 1998, 1,000 households applied for home purchase loans in West Hollywood. Of that total, 97% of households applied for conventional loans, while only 3% of households applied for government-assisted loans.

Origination rates usually increase with household income. For market-rate home purchase loans in West Hollywood, the origination rate actually decreased with income, from 78% for lower-income households to 72% for moderate-income households and then down to 68% for upper-income households. However, over two-thirds of home loan applications were made by upper-income households. The overall origination rate for market-rate loans was 68%, which is higher than the national rate of 60%. Government-assisted home purchase loans have much higher origination rates (79% overall), but only a total of 27 such applications were made in 1998. The City currently participates in two major homeownership assistance programs: the Mortgage Credit Certificate (MCC) program administered by the Los Angeles County Community Development Commission and the Lease-Purchase Program offered through the California Communities Housing and Finance Agency.

Home Improvement Loans. In 1998, 122 households applied for home improvement loans in West Hollywood. About 77% of households applied for conventional improvement loans and 23% applied for government-assisted loans. Compared to mortgage loans, home improvement loans were more difficult to secure, as is the case in most jurisdictions. Origination rates for conventional and government-assisted improvement loans were 48% and 39%, respectively.

The origination rate for market-rate home improvement loans increased progressively, from 36% for lower income households to 45% for moderate-income households to 51% for upper-income households. The number of applications for government-assisted home improvement loans was very low at 28 and over 40% were denied.

For lower- and moderate-income households combined, the loan origination rate was noticeably lower (nearly 10 percentage points) for government assisted loans than for conventional loans. This supports the importance of City sponsored rehabilitation programs for these households and suggests that additional assistance may be necessary. The City currently offers three programs to facilitate home improvement and rehabilitation, including the Residential Rehabilitation Program, Homes and Gardens Program, and the Home Secure Program. Increasing the availability of financing sources for home rehabilitation and improvement is a means of improving the overall quality of housing and neighborhoods in West Hollywood.

Table 32
Disposition of Home Loans

Applicant Income	Home Purchase Loans: Conventional				Government-Assisted			
	Total	Originated	Denied	Other	Total	Originated	Denied	Other
Lower	77	78%	12%	10%	3	100%	0%	0%
Moderate	166	72%	8%	20%	17	71%	18%	11%
Upper	671	68%	11%	21%	6	83%	0%	17%
N.A.	59	41%	19%	40%	1	100%	0%	0%
Total	973	68%	11%	21%	27	79%	11%	10%

Applicant Income	Home Improvement Loans: Conventional				Government-Assisted			
	Total	Originated	Denied	Other	Total	Originated	Denied	Other
Lower	22	36%	45%	19%	9	33%	44%	23%
Moderate	20	45%	40%	15%	8	38%	50%	12%
Upper	45	51%	31%	18%	10	50%	30%	20%
N.A.	7	71%	0%	29%	1	0%	100%	0%
Total	94	48%	34%	18%	28	39%	43%	18%

Source: Home Mortgage Disclosure Act (HMDA) data, 1998

2. GOVERNMENTAL CONSTRAINTS

Governmental regulations are often cited as constraints to the maintenance, improvement, and development of housing, because such regulations typically raise housing costs and a portion of the costs is inevitably passed down to consumers. This section discusses the impact of land use controls, development standards, building codes, and fees/taxes on the maintenance, improvement, and production of housing.

Land Use Controls

Like all communities, West Hollywood regulates the type, location, density, and scale of residential development through a range of land use/zoning codes. These ordinances are designed to balance the need to provide housing opportunities for all economic segments of the community, while still protecting the general health and safety of residents and preserving the character and integrity of existing neighborhoods.

The City's Zoning Ordinance was originally adopted in 1989. The Ordinance determines where residential, commercial, and other land uses may locate within the City, what type of permit is required for each use, and what standards apply to the planning and design of development. After years of use, a number of problems have been identified with the City's original Zoning Ordinance, including conflicts between current Ordinance requirements and recent changes in State zoning law, readability, and areas of inconsistency with the City's 1988 General Plan. For these reasons, since 1999 the City has been in the process of revising the Ordinance to more effectively respond to the City's current needs and expectations for development. The following discussion analyzes the standards and provisions as proposed in the updated Ordinance, slated for adoption in early 2001.

Residential development is provided for within four residential districts as well as in all commercial districts as part of a mixed-use development:

R1: Single-family or Two-Unit Low Density Residential
R2: Low Density Residential
R3: Multi-Family, Medium Density Residential
R4: High Density Multiple Family Residential
C: All Commercial Zones collectively

Table 33
Residential Development by Zoning District
City of West Hollywood (2000)

Land Uses	C1-4	R1	R2	R3	R4
Single-Family Homes	--	P	P	P	P
2-Unit Residential Project	--	P	P	P	P
Multi-Family Dwellings	--	--	P	P	P
Mixed-Use	P	--	--	--	--
Residential Care Home					
=/< 6 clients	P	P	P	P	P
7-12 clients	MCUP	MCUP	MCUP	MCUP	MCUP
13+ clients	CUP	CUP	CUP	CUP	CUP
2nd Residential Unit	--	P	--	--	--
Senior Housing	--	--	CUP	CUP	CUP
Emergency Shelters	--	CUP	CUP	CUP	CUP

P = Permitted Use MCUP = Minor Conditional Use Permit Required
CUP = Conditional Use Permit Required -- = Not permitted

Provisions for a Variety of Housing Types. State Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including multi-family rental housing, second units, factory-built housing, mobile homes, emergency shelters and transitional housing. Table 33 summarizes residential uses or types permitted in each of West Hollywood's residential districts as well as commercial zones.

Multi-Family Housing: Multi-family housing, including apartment complexes and condominiums, is the predominant housing type in West Hollywood, accounting for nearly 90% of the housing stock. Multi-family dwellings are permitted by right in the R2, R3, and R4 zones. The City continues to play an active role in supporting the production of affordable multi-family housing through financial and regulatory incentives, including projects such as the Laurel-Norton Inter-Generational Apartments (41 units) and the Palm View project (40 units) for persons with HIV/AIDS.

Mixed-Use Development: Mixed-use developments are permitted and encouraged in the commercial zones. The City's General Plan and Zoning Ordinance provide for additional density incentives to facilitate the development of residential and commercial mixed-use projects. However, the City's current development incentives have not been proven successful in attracting the mixed-use development envisioned under the General Plan.

In order to better facilitate housing in commercial districts, the Housing Element update sets forth the following revisions to be made to the Zoning Ordinance:

- Housing will be permitted to be developed both as stand-alone residential ("horizontal mixed use") as well as above ground floor commercial uses.
- A "Housing Overlay Zone" will be established along major commercial corridors. Development incentives to be offered within the Overlay include: increased floor area ratios, increased heights, reduction in Affordable Housing In-Lieu fees, reduction in on- or off-site affordable units, and/or flexible development standards.

Residential Care Homes: Pursuant to State law, residential care homes serving six or fewer clients are permitted in all residential zones in West Hollywood. Care homes serving 7 to 12 clients are permitted in all residential zones subject to a Minor Conditional Use Permit (MCUP), while homes serving more than 13 or more clients are permitted subjected to a CUP.

Second Units: Second units are attached or detached dwelling units that provide complete independent living facilities for one or more persons including permanent provisions for living, sleeping, cooking and sanitation, located on the same lot as the primary structure. The City permits by right the development of second residential units in the R1-A zone. One parking space is required for a second unit.

Senior Housing: Elderly residents comprise a significant share of West Hollywood's population. Senior residential projects, including congregate care facilities, are allowed in the R2, R3 and R4 zones, subject to the approval of a CUP.

Mobile Homes/Manufactured Housing: There are only approximately six mobile home units in West Hollywood. The City permits mobile home parks in all residential zones, subject to a CUP. Pursuant to State law, manufactured housing placed on a permanent foundation is permitted in all residential zones. Such housing is subject to the same development standards and design review criteria as stick-built housing as set forth by the zoning district.

Emergency Shelters/Transitional Housing: An emergency shelter is a facility that provides shelter to homeless families or individuals on a limited short-term basis. Emergency shelters are permitted in all residential zones, subject to the approval of a CUP. Currently, there is one homeless facility in West Hollywood called the Foundation House. Operated by P.A.T.H or People Assisting the Homeless, this facility offers 63 beds for homeless adults. Transitional housing is temporary (six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation, counseling, etc.) to allow individuals to gain necessary life skills in support of independent living. Transitional housing facilities are permitted in residential zones.

Residential Development Standards: The City's residential development standards contain provisions that affect housing costs and affordability, including lot coverage limits, building height limitations, densities, parking requirements, open space, and other similar requirements. Summarized in Table 34, these requirements affect new development, because they regulate the number and size of housing units per acre.

Density Limits: West Hollywood has developed into one of the most dense residential areas in the State of California. To help preserve its remaining single-family neighborhoods, the City has enacted a 8.7 dwelling units per acre standard for its single-family (R1) areas which is generally comparable to Santa Monica and Culver City. Maximum density in the R2 zone varies from 21.8 units per acre to 32.7 units per acre, depending upon the size of the lot. The City's medium density areas (R3) have a maximum density of 36 units per acre, which is almost identical to that in Santa Monica (35 units per acre). A maximum density of 50 units per acre is permitted in the highest density or R4 zone in West Hollywood.

Structural Limits: Through its Zoning Code, the City has also enacted regulations affecting the size of buildings, such as minimum lot sizes, lot areas and height. A comparison with selected cities (Santa Monica, Redondo Beach, Manhattan Beach, Culver City) shows that West Hollywood has lesser restrictions for lot coverage and story limitations. For instance, the City's minimum lot size of 5,000 square feet is nearly identical to all other cities surveyed. With the exception of Los Angeles, the City requires a smaller minimum lot area per unit (ranges from 872 to 2,500 square feet) than all cities surveyed.

The Zoning Ordinance update simplifies the height formulas used in the original Ordinance in the R3 and R4 zones by eliminating the complicated requirement to average the height of 75% of the buildings on the block. Recognizing that the current height limit (45 feet) in commercial districts may restrict the development of mixed-use and residential uses, the City is further considering increasing the limit to between 50 and 60 feet in select commercial districts as part of this Housing Element update (Program #21).

Floor-Area Ratio (FAR): FAR refers to the amount of floor area that may be constructed compared to the size of the lot. The Zoning Ordinance update establishes a floor-area ratio of 0.5 for R1 zones as a means to control so-called "mansionization." The original Ordinance did not specify a FAR for any residential zone.

Open Space: Open space requirements can also constrain housing development, because it reduces the total amount of livable space that can be constructed per acre and therefore lowers the possible amount of revenue available from the property. The Zoning Ordinance update provides for a reduction in the private open space requirement from 200 to 120 square feet per unit for condominiums, consistent with the existing requirement for apartments. Allowances for up to 40% common/private open to be fulfilled on rooftops is also provided under the updated Ordinance.

Table 34
Residential Zoning District General Development Standards
City of West Hollywood (2000)

Development Feature	Requirement by Zoning District		
	R1, R2	R3	R4
Minimum lot area	5,000 sq.ft.		
Residential density	R1-A: 1 unit/lot R1-B: 2 units/lot of less than 8,499 sq.ft.; 3 units/lot between 8,500 & 11,999 sq.ft. R1-C: 1 unit/lot R2: 2 units/lot of less than 4,000 sq.ft.; 3 units/lot between 4,000 & 7,999 sq.ft.; 4 units/lot between 8,000 & 9,999 sq.ft.	1 unit for each 1,210 sq.ft. of site area	1 unit for each 872 sq.ft. of site area
Floor area ratio	0.6	N.A.	
Setbacks required	*Minimum setbacks required.*		
Front, 1st story	Average of front setbacks of the 2 structures closet to the front property lines on the 2 adjacent parcels, with the following minimums/maximums.		
	10 ft. minimum in Norma Triangle, 15 ft. minimum elsewhere, 30 ft. maximum.	15 ft. minimum, 30 ft. maximum.	7.5 ft. minimum, no maximum.
Front, 2nd & upper stories	An additional 6 ft. for 2nd and upper stories in addition to the 1st story setback.		
Sides, interior lot	5 ft. For lots <50 ft. wide, 10% average for width, with 3 ft. minimum.	5 ft. for lots with structures up to 2 stories;. For lots 50 ft. or less in width, 10% of average lot width, with a 3 ft. minimum for structures up to 2 stories. For all lots, an additional 1 ft. setback is required for each story above the 2nd story.	
Street side, corner lot			
Rear	5 ft.; 10 ft. for reversed corner lots.	5 ft.; 7.5 ft. for reversed corner lots.	
	15 ft. for lots with a depth less than 75 ft., 20% of the average lot depth, but not less than 10 ft.		
Height limit	*Maximum structure height.*		
Primary structures	R1-A, B, R2: 25 ft., 2 stories R1-C: 15 ft., 1 story	R3-A: 25 ft., 2 stories R3-B: 35 ft., 3 stories R3-C: 45 ft., 4 stories	45 ft., 4 stories
Accessory	15 ft., 1 story		

Source: Draft Zoning Ordinance, City of West Hollywood, April 2000.

Parking Standards: On-site parking space requirements can also serve as a constraint to housing development, because they necessarily reduce the maximum number of units that can be constructed on an acre. Like most communities, West Hollywood's parking standards vary according to the type and size of the housing unit, as indicated in Table 35. The Zoning Ordinance update establishes the following parking standards: for multi-family units, one space is required for a studio; one and one-half spaces for a one-bedroom unit; two spaces for a two- to three-bedroom unit; and three spaces for a unit with four or more bedrooms. In order to encourage development of housing for a more diverse population, including multi-generational families, the parking requirement for three-bedroom units was recently reduced to two spaces instead of three. For single-family detached units, the City requires two spaces of enclosed or covered parking. Under the updated Ordinance, up to 100% tandem parking spaces are permitted by right for projects on narrow lots or courtyard housing and the parking requirement for senior housing/congregate care facilities was reduced to 0.5 space for each unit.

Table 35
Parking Requirements
City of West Hollywood (2000)

Residential Land Use	Required Parking Spaces
Duplexes, multi-family dwellings, condominiums, townhouses	Studio units up to 500 sq.ft. – 1 space; 1-bedroom units & studios larger than 500 sq.ft. – 1.5 spaces for each units.
	2 to 3 bedrooms – 2 spaces; 4+ bedrooms – 3 spaces.
	Guest parking – 1 covered space for each 4 units for residential projects of 5+ units.
Single-family detached dwellings, mobile homes	2 spaces per unit.
Second residential units	1 space in addition to that required for the primary single-family dwelling.
Senior housing and congregate care projects.	0.5 space for each unit, plus 1 guest parking space for each 10 units.
Residential care facilities	1 space for each 5 beds

Source: Draft Zoning Ordinance, City of West Hollywood, April 2000.

Variances: Currently, the City does not provide for an explicit waiver of the aforementioned property requirements by Ordinance. However, the City's Zoning Ordinance grants the Community Development Director the authority to permit modifications of the residential development standards by up to 10% without a public hearing. Residential development standards include parking, height, yard and lot area requirements. However, variances exceeding 10% must be decided upon by the Planning Commission.

As part of the 2000-2005 Housing Element update, several residential development standards have been identified as requiring further study and possible modification to better facilitate housing development. Particularly within the Housing Overlay Zone, the City will evaluate the following:

- Increased Height: Allowances for 5 stories, or 50' to 60' in commercial districts. Allowances for increased height above natural grade for subterranean garage.
- Reduced Parking: Allowances for shared parking with commercial uses and/or municipal parking lots.
- Flexible Open Space: Provisions for use of roof decks (excluding arbors/trellises in height calculation); use of front and side yards.
- Reduced Affordable Housing In-Lieu Fees and Inclusionary Requirements: For projects within the Housing Overlay, 50% reduction in fee amount, or reduction in the required on- or off-site inclusionary units to 15% for projects with more than 10 units.

Codes and Enforcement. West Hollywood has adopted various building and safety codes to protect the health and safety of its residents by ensuring the construction, maintenance, and rehabilitation of housing that is safe, decent, and affordable. However, since building codes and their enforcement naturally increase housing costs, they also have the potential to negatively impact the production of housing opportunities. This section briefly outlines the city codes affecting housing production and maintenance.

West Hollywood has adopted California's Uniform Building Code (UBC), 1994 edition, by Ordinance. By adopting the UBC, the City subsequently adopts the latest Uniform Plumbing Code, Uniform Fire Code, National Electrical Code, Mechanical Code, and Title 24 and 25 of State Energy Insulation Regulations, and all following amendments. These building and safety codes are considered to be the minimum codes necessary to protect the public health, safety and welfare, and are adopted by all cities in California.

In addition to the Uniform Building Codes, the City also complies with federal regulations pertaining to the Americans with Disabilities Act (ADA). ADA, which went into effect in 1992, provides comprehensive protection for persons with disabilities, and includes provisions to require a minimum percentage of units in new housing developments built after 1989 be fully accessible to the physically disabled. However, most of the City's current housing units were built before 1989 and are therefore exempt.

Compliance with the City's building, safety, and accessibility codes and standards does increase the cost of housing. However, since West Hollywood is almost built out, these regulations have a greater impact on the rehabilitation, rather than construction, of housing. For instance, most housing units were built over 40 years ago, well before the adoption of current codes, and thus are exempt provided the building is not materially changed. Therefore, a landlord must decide whether rehabilitation of existing structures is a viable option if a building must be upgraded to meet current building and safety codes.

In addition to building, safety and accessibility codes and standards, the City has enacted seismic retrofitting codes pursuant to Chapter 96 of the Municipal Code and State law (1990). These regulations require seismic upgrades in order to reduce the potential of earthquake hazards in unreinforced masonry buildings and protect the public's health and safety. Because these improvements benefit tenants, however, the City allows landlords to apply for a rent increase to

pay for the capital improvements resulting from seismic upgrades. Thus, landlords can potentially recover the full costs of their capital improvements.

Although the City's building, safety and accessibility standards may increase the cost of housing, they are not considered to be a significant housing constraint. All cities in California adopt nearly identical building and safety codes; and therefore, all developers and property owners face basically the same constraints regardless of location. Since the City has not adopted more stringent codes than other cities, they are not a significant constraint to the maintenance, improvement, and development of housing.

Local Processing and Permit Procedures. In general, the processing time needed to obtain development permits and required approvals is commonly cited as a prime contributor by the development community to the high cost of housing. Residential development in West Hollywood requires permits and/or approvals from various City departments, such as a permit to remove rental units from the Rent Stabilization and Housing Department, and Planning Commission approval of a subdivision map and site plan. The City offers developers free pre-application meetings with planning staff to address questions they may have and inform them about the City's standards and regulations. In addition, the City provides concurrent processing for separate approvals.

Table 36 summarizes the approval requirements and processing times for various permits and planning services offered by the City's Community Development Department. Processing times are given from the date on which an application is deemed to be complete. For conditional use permits (CUP), the average approval time ranges from two to three months, depending on whether the CUP required is deemed minor or major. A minor CUP is given for an issue or permit on which public input is important, but the issues are less complex than those that require a major CUP. A minor CUP requires a public hearing before the Community Development Director. The advantages of having a public hearing before the Community Development Director instead of the Planning Commission is the generally shorter time necessary to get on the agenda and the more informal nature of the hearing before the Director. A major CUP requires a hearing before the Planning Commission.

The City's new Zoning Ordinance (April 2001) establishes several changes in project processing procedures aimed at streamlining processing times. The Zoning Ordinance increases the threshold for administrative review of residential projects in R1, R2 and R3 zones from 1 to 4 units, and to 8 units plus one inclusionary/density bonus unit in R4 zones. All condominium projects continue to require Planning Commission review. Furthermore, by reducing parking requirements for senior and congregate housing to 0.5 spaces per unit, the Code effectively minimizes the need for a parking variance, thereby easing the design and approval process. The City will evaluate further streamlining development review and processing procedures as part of this Housing Element update, particularly for projects within the Housing Overlay Zone. In addition, the City will also develop a handbook of interdepartmental regulations and services to guide applicants through the development approval process.

Table 36
Approval Requirements and Processing Times
City of West Hollywood (2000)

Permit Type	Approving Body	Neighborhood Meeting Required?	Public Hearing Required?	Sign Posting on Site Required?	Average Approval Time*
Development Permit					
Class A	PC	✔	✔	✔	2-3 months
Classes B-D	Director	✕	✕	✔	3 weeks
Demolition Permit					
Class A	PC	✔	✔	✔	2-3 months
Classes B-C	Director	✕	✕	✔	3 weeks
Zone Clearance					
Major	Director	✕	✕	✕	1 week
Minor	Director	✕	✕	✕	1 day
Conditional Use Permit					
Major	PC	✕	✔	✔	2-3 months
Minor	Director	✕	✔	✔	2 months
Variance	PC	✕	✔	✔	2-3 months
Environmental Review					
Minor Categorical Exemption	Director	✕	✕	✕	Approved with project
Categorical Exemption w/ Filing	Director	✕	✕	✕	
Negative Declaration	Director	✕	✕	✔	
Environmental Impact Report	PC	✕	✔	✔	
Subdivision Parcel or Tract Map	PC	✕	✔	✔	2-3 months
Lot Line Adjustment	Director	✕	✕	✕	1 week

Source: Community Development Department, City of West Hollywood, 2000.

* *From date application is deemed complete.*

PC = Planning Commission ✔ = Yes ✕ = No
Director = Community Development Director

Development Permits: Class A = Projects over 10,000 sq.ft. Classes B-D represent different development types that are approved by the Director. Distinction is made between these classes to establish appropriate permit processing/review fees.

Demolition Permits: Class A = PC Approval required; Class B = Main structure replaced by new construction; Class C = Secondary structure. Classes B and C represent different development types that are approved by the Director. Distinction is made between these classes to establish appropriate permit processing/review fees.

Fees and Taxes. State law authorizes communities to charge developers for providing specific services as well as meeting the resulting service impacts from new development. These development fees are often cited as a constraint to the maintenance, improvement, and development of housing, because they raise development costs and a portion of these costs are passed down to consumers in the form of higher housing costs.

Like all other cities throughout California, West Hollywood levies various charges to support new residential development. The two largest fees charged by West Hollywood-- service fees and development impact fees--are described as follow:

- ***Service fees*** are charged to recover the costs of providing development services of planning/zoning approvals, subdivision map approvals, environmental review, engineering and plan checks, and building permits among others.
- ***Impact fees*** are levied as a condition for the approval for new development projects and are used to offset the future impact that development will have on City schools, parks, housing, and other basic services.

In evaluating West Hollywood's service and impact fees, it should be noted that the City levies other charges that also raise the cost of housing development, such as business licenses, building permits and many others. Also, benefit assessments for street maintenance, library services, and other services raise the cost of development as well.

Assessing whether a city fee or tax constitutes a constraint to housing development is difficult given that each developer has a different threshold for absorbing the extra cost. However, two general rules provide such a guideline: first, whether the fee is reasonably related to service costs or the impact caused by development; and second, whether the fee is reasonable in comparison to adjacent cities. If either criterion is not met, builders may develop housing elsewhere where the rate of return on investment is higher. If both criteria are met, the City's fees are not considered to be a constraint to development.

To form a comparative base of industry benchmarks from which to compare with practices in West Hollywood, the cities of Santa Monica, Culver City, Redondo Beach, Los Angeles, and Manhattan Beach were surveyed. In addition, information was also obtained from the Los Angeles County Sanitation District, Los Angeles Unified School District, and other agencies that charge service and impact fees for new residential development.

<u>Service Fees</u>: As stated above, the City charges service fees to recover the costs of providing specific services to developers. These include fees for planning and zoning approvals, subdivision map act approvals, environmental review, engineering and plan check services, and building permits among others. On an annual basis, the City reviews these fees relative to the costs of providing service and compares them to fees charged in neighboring jurisdictions to ensure they remain competitive.

California Government Codes specifically require that locally-imposed fees must not exceed the estimated reasonable cost of providing the service. Since all cities are basically prohibited from making a profit on services, only the minimum fee amount should be charged to developers. This does not mean that fees are uniform across all cities, since each has different capacities to provide services in a cost-effective manner. Rather, the fee must approximate the cost of providing service.

West Hollywood's fees do not appear to be unreasonable when compared with fees charged in surrounding jurisdictions. Table 37 compares West Hollywood's fees with those charged in Santa Monica, Redondo Beach, Manhattan Beach, and Culver City. As shown below, the City's fees generally fall within the normal range of other cities. West Hollywood's fees are generally lower or fall within the middle of the range. The only exception is building fees, which are generally higher than other cities.

In summary, the City's application fees for residential development appear to be reasonable in comparison with surrounding jurisdictions. Although there are slight differences among jurisdictions, the variation appears to be due to the normal differences in the cost of providing services. Moreover, State law also requires that fees be reasonably related to costs--a requirement that is also supported by the survey. As a result, service fees alone do not appear to constrain housing investment.

Table 37
Residential Development Fees
Comparison of Surrounding Cities (1998)

Fees	Santa Monica	Redondo Beach	Manhattan Beach	West Hollywood	Culver City
Tract/Parcel Map	$2,287	$1,083	$1,018	$660	$558
Site Plan	$3,399	$1,439	$2,870	--------	$425
Plan Check (Apt $100k)	$1,590	$1,052	$1,059	$1,508	$478
Building Permit	$652	$1,052	$1,059	$1,905	$686
Conditional Use	$2,053	$1,024	$2,098	$1,445	$1,001

Sources: USC Housing Study, 1998; City of Santa Monica 2000 Housing Element.

As described earlier, the City's new Zoning Ordinance (2001) increases the threshold for administrative review of residential projects in R1, R2 and R3 zones from 1 to 4 units, and to 8 units plus 1 inclusionary/density bonus unit in R4 zones. Through these threshold adjustments, the City in effect reduces the amount of fees that developers of smaller residential projects have to pay; the total cost savings is estimated to be approximately $1,500 per project application. Previously, developers of smaller projects had to pay the Planning Commission fee as well as the costs for public noticing.

Development Impact Fees: The City of West Hollywood, Los Angeles County, Los Angeles Unified School District, and the County of Los Angeles charge a range of residential impact fees

to offset the future impact that development will have on existing infrastructure, city services (such as public safety), schools, and other services. In West Hollywood, developers are assessed fees for public art, parks and recreation, public schools, traffic mitigation, sanitation, and inclusionary housing among others.

Table 38
Residential Development Impact Fees
Comparison of Surrounding Cities (1998)

Impact Fees	Santa Monica	Redondo Beach	Manhatt Beach	West Hollywd	Los Angeles	Culver City
Park Fee	$2,000	$4,000	$16,090	$33,230	$14,570	$45,000
Art Fee	none	none	none	$12,500	none	$12,500
School Fee	$18,400	$18,400	$18,400	$18,400	$18,400	$18,400
Transportation	n/a	n/a	n/a	$4,480	n/a	n/a
Sanitation	$5,200	$8,460	$8,460	$16,680	$5,200	$5,200
Subtotal	$25,600	$30,860	$42,950	$85,290	$38,170	$81,100
Housing In-lieu	$150,000	n/a	n/a	$84,525	n/a	n/a
Total	$170,400	$30,860	$42,950	$169,815	$38,170	$81,100

Note: Scenario assumes 10-unit multi-family building for an estimated value of $1.25 million
Other impact fees may apply. The fees shown are only a representative sample.
Source: USC Housing Study, 1998.

The question of whether residential development impact fees are comparable to other cities was examined by the 1998 Housing Study prepared by the University of Southern California (USC). Table 38 provides a comparison of development impact fees among various cities for a sample 10-unit building valued at $1.25 million. The average of impact fees, excluding in-lieu housing fees, charged by the six cities was $44,000, with a low of $25,600 in Santa Monica to a high of $85,290 in West Hollywood.

Cumulative impact fees are higher in West Hollywood largely because the City levies art and transportation fees that are not charged by nearby cities (with the exception of Culver City, which levies an art fee). The art fee is required for projects that do not provide some form of on-site public art. Many residential projects have opted to provide the art, including items such as stained glass, decorative fencing and tiling. The transportation fee is needed to provide/upgrade streets, curbs, gutters, signal coordination, and to fund buses and dial-a-ride programs. To address its severe park shortage and meet the recreation needs of residents, the City also levies a park fee. Park fees collected are used for the improvement of existing parks and acquisition of new parkland. Park fees apply only to residential projects requiring tract/parcel maps and do not apply to apartment developments. Sanitation fees are collected and determined by the County Sanitation District. These fees are used to pay for use of increased capacity at the Hyperion Sewage Treatment Plant.

To ensure that impact fees do not constrain affordable housing development, the City exempts WHCHC projects and residential developments with more than 25% affordable housing units

from the art, park, and transportation fees (per Section 9594.f of the Zoning Ordinance). In addition, this Housing Element establishes a program to grant a 50% reduction in housing in-lieu fees for residential development within Housing Overlay areas.

As indicated in Table 38, the addition of in-lieu housing fees raised housing costs in Santa Monica and West Hollywood significantly, by approximately 250% above the average of the four cities without inclusionary housing requirements. (Santa Monica's fees have been revised since 1998.) Therefore, based on this survey, it appears that West Hollywood's in-lieu housing fees may constrain housing reinvestment and development.

An economic analysis of the City's residential development standards and fees was completed in December 1999. According to the study, West Hollywood has very high development impact fees. Santa Monica, which prior to 1999 had higher fees, has modified its in-lieu housing fee to $11 per square foot for new condominium projects and $6 per square foot for new apartment complexes. West Hollywood's fees are over 10% of the average residential condominium value in the City, while Santa Monica's fees are less than 5% of the average condominium value. The City of Los Angeles, which surrounds the East Side Redevelopment Project Area of West Hollywood, has development fees of approximately $4,000 per unit or 1 to 2% of the condominium value.

Inclusionary Housing Ordinance. Like 60+ cities in California, the City of West Hollywood has implemented an Inclusionary Housing Ordinance. The City utilizes the Ordinance as a tool to provide affordable housing to all economic sectors, and to meet its regional fair-share requirements for construction and rehabilitation of affordable housing to low- and moderate-income households. Adopted in April 1986, the Ordinance requires developers to set aside a portion of units in each new residential development for low- and moderate-income households, or pay an in-lieu fee. These two options are described in detail below.

Construction of Affordable Inclusionary Housing: Developers who construct new housing are required to provide a certain number of affordable housing units (inclusionary units). The affordable units must be made available to low- (80% of County median income) and moderate-income (100% of median) households as determined by eligibility requirements and a rental or sales price schedule established by the City Council.

Table 39 summarizes the City's inclusionary requirements. The City offers a density bonus for those developers who provide these units. For every inclusionary unit provided, the developer receives one bonus unit. The Ordinance also provides the following regulatory incentives to ensure that residential construction is not constrained by the inclusionary requirement: reduction in site development standards; modification of architectural design requirements; approval of a mixed-use project in conjunction with the residential project if commercial, office, or other land use will reduce the cost of the residential development; and other regulatory incentives proposed by the applicant or City which results in identifiable cost reductions.

This inclusionary housing requirement also applies to projects where apartments are being converted to condominiums. The replacement of a single-family unit with another such unit is exempt from this requirement.

Table 39
Inclusionary Housing Requirements
City of West Hollywood (2000)

Number of Units in Project	% of Affordable Units
10 or fewer units	10% of all units in a project or the number being demolished, whichever is greater. Payment of in-lieu is also allowed.
11 to 20 units	20% of all units in a project or the number being demolished, whichever is greater. Payment of in-lieu is also allowed.
21 or more units	20% of all units in a project or the number of units being demolished, whichever is greater. No in-lieu fee options allowed.

Source: Community Development Department, City of West Hollywood, 2000.

Depending upon the Planning Commission's approval and an ability to meet several requirements, developers of residential projects containing more than 20 units may apply to provide required inclusionary housing off-site, at one or several sites. In fact, a recently approved 63-unit residential project on San Vicente Boulevard is satisfying the inclusionary requirement by rehabilitating 20 units off-site (7214 Fountain Avenue). After rehabilitation, the units will be turned over to WHCHC to own and operate. All the 20 units will be made available to low- and moderate-income households, and will remain affordable for the life of the property.

In-Lieu Fees for Projects with 20 Units or Less: Developers of residential projects with 20 or fewer units may pay an affordable housing fee in lieu of providing affordable units in a new development. The City deposits these fees into the City's Affordable Housing Trust Fund used to construct affordable housing for families, seniors, individuals with AIDS, and other needy groups in West Hollywood.

The inclusionary housing fees are based on the number and square footage of the proposed units. The square footage is figured as gross livable floor area, including all private decks, balconies, and patios being replaced or constructed. The fee requirement is equal to the greater of the fees calculated using the schedule presented in Table 40. These fees are adjusted annually for inflation.

Table 40
Inclusionary Housing In-Lieu Fee Schedule
City of West Hollywood (2000-01)

Number of Units Constructed	Fee per Square Foot
1 to 2	$6.02
3	$6.87
4	$7.72
5	$8.58
6	$9.46
7	$11.05
8	$11.18
9 to 20	$12.03

Source: Community Development Department, City of West Hollywood, 2000.

For example, a project which involves the construction of 8 new units with a total gross livable floor area of 20,000 square feet would result in a fee of $223,600 ($11.18 multiplied by 20,000 square feet).

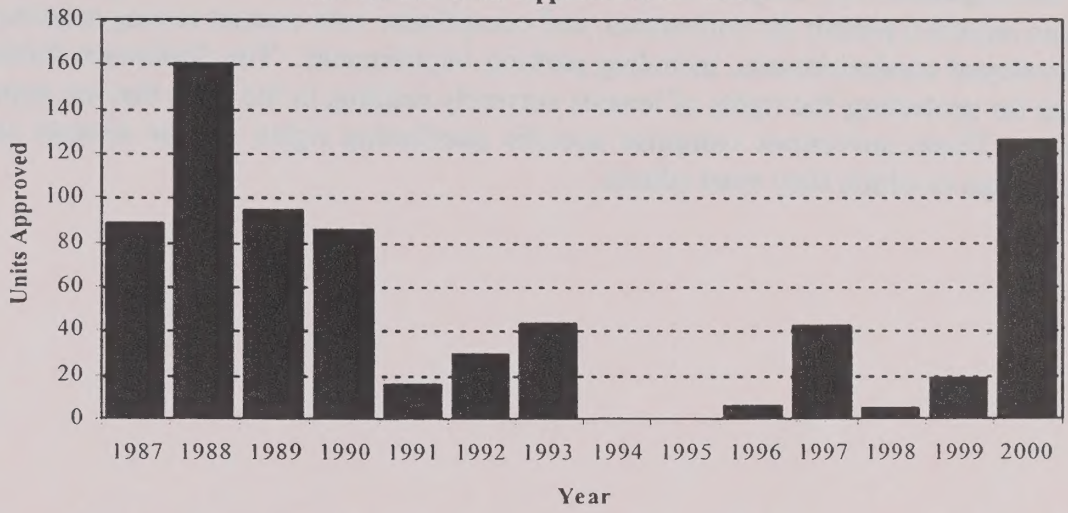
Affordable housing developments are unaffected by the housing in-lieu fees because they already provide affordable units on-site. The City currently offers in-lieu fee waivers for residential projects in the East Side Redevelopment Project Area on a project-by-project basis. As part of this Housing Element update, the City establishes a program to offer various incentives to facilitate residential development in the "Housing Overlay Zone" along commercial corridors (Program #18). One of the incentives is a 50% reduction in the housing in-lieu fees. Additionally, the City will evaluate the Inclusionary Housing Ordinance for consistency with State density bonus law and make necessary refinements by mid 2002.

The City also charges a commercial development impact fee which is set at $2.85 per net square foot of new commercial space. This commercial impact fee is established to mitigate the impact of new commercial development on the need for affordable housing. Like in-lieu fees, commercial impact fees collected are also placed in the Affordable Housing Trust Fund to support affordable housing activities, including new housing construction and rehabilitation of existing units.

Since its inception in 1986, the Inclusionary Housing program has collected $5.4 million in in-lieu fees and resulted in the provision of 53 units for low- and moderate-income households. An additional 20 affordable units are also being provided through the acquisition and rehabilitation of units off-site. The Inclusionary Housing Ordinance has not negatively impacted residential construction activities in West Hollywood. Instead, the amount of housing built has been impacted by regional economic factors. Figure 16 shows the total number of residential units approved annually between 1987 and 2000. As exhibited, residential development activities were highest in the late 1980s, reflecting the economic prosperity of that period. Similarly, few housing units were completed in the 1990s due to the economic recession and the dwindling

supply of vacant land in the City. With the improvement of the Southern California economy in recent years, residential construction has picked up in West Hollywood, with a total of 126 residential units approved in 2000.

Figure 16:
Residential Units Approved 1987-2000



Rent Stabilization Ordinance. The City Council enacted the Rent Stabilization Ordinance in June 1985 to maintain the affordability of rental housing in West Hollywood. The Ordinance regulates residential rent levels, requires that rental units meet specific maintenance standards, and protects tenants from certain types of eviction. Under the Ordinance, the Maximum Allowable Rent (MAR), the most a landlord could legally charge, is the initial rent charged for the tenancy plus any intervening general adjustments allowed by the City that the landlord charged to the tenant.

In 1995 the Costa-Hawkins Rental Housing Act was passed to enforce gradual Statewide de-control of rent-controlled housing as vacancy occurs. With Costa Hawkins, the MAR of a rental unit is decontrolled upon vacancy of the unit. The landlord can demand any monthly rental amount they wish to set. However, when a tenant moves in, the unit becomes rent stabilized again and the rent charged to the tenant then becomes the MAR. Full implementation of Costa-Hawkins began in 1999. During that year, 1,841 units were vacated and re-occupied, representing 12% of West Hollywood's 15,000 rent-controlled units. The overall average rent increase was $150 or 20%. Once re-occupied, rents are re-controlled, with annual rent increases limited by the Rent Stabilization Board.

The Rent Stabilization Ordinance limits the grounds on which a tenant may be evicted to the following: nonpayment of rent; creating a nuisance or using a rental unit for illegal purposes; subleasing without a landlord's permission; failure to provide the landlord with reasonable access; violating the rental agreement; and failure to renew a rental agreement. Tenants may also be evicted when the owner seeks to withdraw the entire property from the rental housing market

pursuant to the Ellis Act. Certain of these evictions entitle the tenant to receive relocation assistance from the tenant's landlord.

Condominium Conversion Ordinance. Apartment projects proposed for conversion to common interest developments are subject to the City's condominium conversion regulations. These regulations require a permit for conversion, and compliance with current zoning requirements for newly developed condominiums, including parking requirements. The Ordinance further makes provisions for protecting the rights of tenants currently residing in the units that are approved for conversion. These provisions comprise specific purchasing rights for the tenants as well as eviction clauses to which they must adhere.